OFFERING MEMORANDUM

$1,500,000,000

Premier Entertainment Sub, LLC
Premier Entertainment Finance Corp.
With obligations to be assumed by Bally's Corporation

$750,000,000 5.625% Senior Notes due 2029
$750,000,000 5.875% Senior Notes due 2031

Premier Entertainment Sub, LLC ("PE Sub"), a Delaware limited liability company and wholly-owned, unrestricted indirect subsidiary of Bally's Corporation ("Bally's," "the Company," "we," "us" or "our"), and Premier Entertainment Finance Corp. ("PE Corp." and, together with PE Sub, the "Escrow Issuers"), a Delaware corporation and wholly-owned, unrestricted indirect subsidiary of Bally's, will be the initial issuers of $1,500,000,000 aggregate principal amount of 5.625% senior notes due 2029 (the "2029 notes") and of 5.875% senior notes due 2031 (the "2031 notes"; each of the 2029 notes and the 2031 notes are "a series of the notes"; and the 2031 notes, together with 2029 notes, the "notes").

This offering is part of the financing for the proposed acquisition (the "Gamesys Acquisition") by Bally's of all of the issued and to be issued ordinary share capital of Gamesys Group plc ("Gamesys"). See "Summary — Gamesys Transaction." Following the Escrow Release Condition (as defined herein), Bally's and the guarantors will enter into one or more supplemental indentures to the Indenture (as defined herein) to provide for the assumption (the "Assumption") by Bally's of the obligations of the Escrow Issuers as issuers of the notes and for the guarantees of the notes (the "guarantees") by the guarantors as described herein. References to "Issuer" herein shall be, collectively, to PE Sub and PE Corp. prior to the Assumption and to Bally's from and after the Assumption. Prior to the Assumption, the Escrow Issuers will not be subject to the restrictive covenants under any existing debt facility or the outstanding notes indentures of Bally's or any of its subsidiaries. We intend to use the net proceeds from this offering of the Notes, together with proceeds of the New Term Loan Facility (as defined herein expected to be entered into on the date the Assumption occurs), the proceeds of our April 2021 public and private equity offerings (the "Equity Offerings") and cash on hand, (i) to (a) pay the cash portion of the purchase price of the Gamesys Acquisition and retire Gamesys' existing indebtedness, (b) pay in full all amounts and terminate all commitments under our Existing Term Loan Facility (as defined herein), (c) repay in full all outstanding revolving borrowings under our Existing Revolving Credit Facility (as defined herein), (d) redeem in full all of our Existing 2027 Notes (as defined herein); (ii) to pay fees and expenses related to the foregoing; and (iii) for general corporate purposes, which could include, in addition to funding operations, acquisitions and other transactions.

The 2029 notes will mature on September 1, 2029 and the 2031 notes will mature on September 1, 2031. Interest on the notes will accrue from August 20, 2021, and is payable semi-annually on each March 1and September 1. The first interest payment date for the notes will be March 1, 2022.

The Issuer will be entitled to redeem some or all of the 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 notes to be redeemed plus the "make-whole" premiums set forth in this offering memorandum, plus accrued and unpaid interest, if any. The Issuer may redeem some or all of the 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 the redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. Prior to September 1, 2024, we are entitled to redeem up to 40% of the original principal amount of each series of the notes with proceeds of certain equity offerings at the redemption prices set forth in this offering memorandum. In addition, the notes are subject to disposition and redemption requirements imposed by gaming laws and regulations of applicable gaming regulatory authorities. See "Description of the Notes — Gaming Disposition, Redemption and Other Matters." We may also be required to offer to purchase the notes upon the sale of certain assets or upon certain changes of control, as described under "Description of the Notes — Asset Sales" and "— Repurchase at the Option of Holders — Change of Control."

On or prior to the issue date (the "Issue Date"), the Escrow Issuers will enter into escrow agreements (the "Escrow Agreements"), pursuant to which the Escrow Issuers will deposit, or cause to be deposited into escrow accounts (each an "Escrow Account" and collectively, the "Escrow Accounts)" an amount equal to (i) the gross proceeds of this offering of the notes and (ii) an additional amount in cash that, when taken together with such gross proceeds, is sufficient to

fund the Special Mandatory Redemption (as defined below) of the notes to, but excluding, the Special Mandatory Redemption Date assuming that the Special Mandatory Redemption Date is June 30, 2022 (together, the "Escrowed Property").

In the event that (x) the Escrow Release Condition has not been satisfied on or prior to the Termination Date (as defined under "Description of the Notes — Certain Definitions") or (y) the Escrow Issuers and the Financial Adviser notify the Escrow Agent and the Trustee in writing that the Escrow Release Condition will not be satisfied on or prior to the Termination Date, the Escrow Issuers will be required to redeem all of the notes of the applicable series offered hereby no later than five (5) business days following such date (the "Special Mandatory Redemption Date") at a price equal to 100% of the initial issue price of the applicable series of notes, plus accrued and unpaid interest to, but excluding, the Special Mandatory Redemption Date (the "Special Mandatory Redemption"). See "Description of the Notes — Escrow of Proceeds; Escrow Release Condition" and "Description of the Notes — Special Mandatory Redemption."

Prior to satisfaction of the Escrow Release Condition, the notes will be senior secured obligations of the Escrow Issuers, will not be guaranteed by Bally's or any of its other subsidiaries and will be secured only by a first-priority security interest in the Escrowed Property.

Following the satisfaction of the Escrow Release Condition and the Assumption, the notes will be guaranteed, jointly and severally, by each of our restricted subsidiaries that guarantees our New Credit Facilities, including the Escrow Issuers, and certain other debt (collectively, the "guarantors"). Following the satisfaction of the Escrow Release Condition and the Assumption, Gamesys and any of its subsidiaries that guarantee the New Credit Facilities following the receipt of all applicable regulatory approvals and subject to the satisfaction of applicable legal requirements will also guarantee the notes. The notes and the guarantees thereof will be our and the guarantors' general senior unsecured obligations, ranking senior in right of payment to all of our and the guarantors' future debt that is expressly subordinated in right of payment to the notes and the guarantees thereof, if any, ranking equally in right of payment with all of our and the guarantors' existing and future senior debt and will be effectively subordinated to all of our and the guarantors' existing and future secured debt, including indebtedness under the New Credit Facilities, to the extent of the value of the collateral securing such debt. In addition, the notes and the guarantees thereof will be structurally subordinated to all existing and future indebtedness and other liabilities of the non-guarantor subsidiaries.

Delivery of the notes in book-entry form will be made through the facilities of The Depository Trust Company on or about August 20, 2021.

Investing in the notes involves risks. See "Risk Factors" beginning on page 20 of this offering memorandum and "Risk Factors" included in our annual report on Form 10-K for the fiscal year ended December 31, 2020 and our quarterly report on Form 10-Q for the quarter ended March 31, 2021.

Issue Price of the 2029 notes: 99.202 plus accrued interest from August 20, 2021

Issue Price of the 2031 notes: 99.065 plus accrued interest from August 20, 2021

The notes and the guarantees thereof have not been, and will not be, registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction, and are being offered and sold only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act and, in the case of persons in the European Economic Area, in accordance with the Prospectus Regulation (as defined herein). For further details about eligible offerees and resale restrictions, see "Transfer Restrictions" and "Plan of Distribution."

There is currently no active trading market for the notes. The notes will not be listed on any securities exchange or automated quotation system.

Joint Book-Running Managers

Deutsche Bank Securities **Goldman Sachs & Co. LLC** **Barclays**

Citizens Capital Markets **Capital One Securities**

Truist Securities **Fifth Third Securities** **Wells Fargo Securities**

The date of this confidential offering memorandum is August 6, 2021.

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NOTICE TO INVESTORS

In this offering memorandum, unless otherwise indicated or the context otherwise requires, all references to "we," "our," "us" or similar terms refer to Bally's Corporation, together with its consolidated subsidiaries, and all references to "Bally's" refer to Bally's Corporation alone. References to "PE Sub" herein shall be to Premier Entertainment Sub, LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of Bally's, and references to "PE Corp." herein shall be to Premier Entertainment Finance Corp., a Delaware corporation and an indirect wholly-owned subsidiary of Bally's. References to "Escrow Issuers" herein shall be to PE Sub and PE Corp., and not any of their subsidiaries or affiliates. References to "Issuer" herein shall be to (a) prior to the Assumption, the Escrow Issuers and (b) from and after the Assumption, Bally's.

You should carefully read this entire offering memorandum, including the information incorporated by reference herein. You should rely only on the information contained or incorporated by reference in this offering memorandum. We have not, and the initial purchasers have not, authorized anyone to provide you with any other information, and we and the initial purchasers take no responsibility for any other information that anyone else may provide you. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the initial purchasers are making an offer or sale of the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing or incorporated by reference in this offering memorandum is accurate only as of its date or the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this offering memorandum nor any sale of notes made hereunder shall under any circumstances imply that the information herein or incorporated by reference is correct as of any date subsequent to the date on the cover of this offering memorandum.

The initial purchasers assume no responsibility and make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

This offering memorandum is confidential and has been prepared by us solely for use in connection with the proposed offering of the notes and may only be used for the purpose for which it has been prepared. This offering memorandum is personal to the offeree to whom it has been delivered by the initial purchasers and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the notes. This offering memorandum may not be copied or reproduced in whole or in part. Distribution of this offering memorandum to any person other than the offeree and any person retained to advise such offeree is unauthorized, and any disclosure of any of its contents without our prior written consent is prohibited. Each offeree, by accepting delivery of this offering memorandum, agrees to the foregoing and agrees not to make copies of this offering memorandum, in whole or in part.

If you do not purchase the notes, or if the offering is terminated, you agree to return this offering memorandum to: Deutsche Bank Securities, Inc., 60 Wall Street, New York, New York 10005, Attention: Debt Capital Markets.

By accepting this offering memorandum you acknowledge that:

- you had the opportunity to review all financial and other information considered to be necessary to make your investment decision and to verify the accuracy of, or to supplement, the information contained in this offering memorandum;
- you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; and
- no person has been authorized to give any information or to make any representation concerning us or the notes other than as set forth in this offering memorandum.

This offering memorandum is not an offer to sell or a solicitation of an offer to buy the notes and is not soliciting an offer to buy the notes in any jurisdiction where such an offer or sale is not permitted. We are relying on an exemption from registration under the Securities Act for offers and sales of securities that

do not involve a public offering. By purchasing notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under "Transfer Restrictions" in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

The notes will be available initially only in book-entry form. We expect that the notes offered and sold in the United States to "qualified institutional buyers" in reliance upon Rule 144A under the Securities Act will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons (the "Rule 144A notes"). We expect that the notes offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons, collectively (the "Regulation S notes" and, together with the Rule 144A notes, the "global notes"). The global notes will be deposited with DTC. The notes will be issued in minimum denominations of U.S. $2,000 and integral multiples of U.S. $1,000 in excess thereof. See "Description of the Notes" for further discussion of these matters.

The information contained or incorporated by reference in this offering memorandum has been furnished by us and other sources we believe to be reliable. We cannot assure you that the information provided by other sources is accurate or complete. In making an investment decision, you must rely on your own examination of Bally's and its subsidiaries, and the terms of the offering and the notes, including the merits and risks involved.

We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

We expect that delivery of the notes will be made to investors on or about August 20, 2021, which will be the business day following the date of this offering memorandum (such settlement being referred to as "T+10"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to settlement, by virtue of the fact that the notes initially settle in T+10, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes on the date hereof or prior to settlement should consult their advisors.

Neither the U.S. Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved these securities or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

ESCROW ISSUERS

No separate financial information has been provided in this offering memorandum for the Escrow Issuers because (1) the Escrow Issuers do not conduct any material operations; (2) the Escrow Issuers do not have, and will not have, any material assets (other than the escrow proceeds, the proceeds of any other offerings incurred to finance the Gamesys Acquisition and any other amounts deposited into the Escrow Accounts and its rights, if any, pursuant to the terms of the agreements governing the Gamesys Acquisition); and (3) promptly following the satisfaction of the Escrow Release Condition, Bally's will assume all of the Escrow Issuers' obligations under the notes. The Indenture governing the notes offered hereby will significantly restrict the activities of the Escrow Issuers prior to the Assumption.

FORWARD-LOOKING STATEMENTS

This offering memorandum and the information incorporated by reference herein includes forward-looking statements within the meaning of the 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 offering memorandum 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:

- uncertainties surrounding the COVID-19 pandemic, including limitations on our operations, increased costs, changes in customer attitudes, impact on our employees and the ongoing impact of COVID-19 on general economic conditions;
- whether the conditions to closing of the Gamesys acquisition will be satisfied or waived and if so, the timing of the closing;
- changes in the capital markets;
- unexpected costs, difficulties integrating and other events impacting our recently completed and proposed acquisitions, including the proposed Gamesys Acquisition, and our ability to realize anticipated benefits, including from the Gamesys Acquisition;
- 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 iGaming and sports betting and the highly competitive and rapidly changing aspects of our new interactive businesses generally;
- the very substantial regulatory restrictions applicable to us, including costs of compliance;
- 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
- the other risk factors discussed under "Risk Factors" in this offering memorandum and under "Part I. Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and under "Part II, Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

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.

NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS

This offering memorandum, as well as any other documents in connection with this offering, will not be reviewed by the SEC. There are no registration rights associated with the notes or the guarantees and we have no present intention to offer to exchange the notes and the guarantees for notes and guarantees registered under the Securities Act or to file a registration statement with respect to the notes. The indenture governing the notes will not be qualified under the Trust Indenture Act of 1939, as amended.

INDUSTRY AND MARKET DATA

This offering memorandum includes estimates of market share and industry data and forecasts that we obtained from industry publications and surveys and internal company sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. As a result, you should be aware that the market and industry data contained in this offering memorandum, and our beliefs and estimates based on such data, may not be reliable. In addition, statements as to our market position are based on market data currently available to us. Our estimates involve risks and uncertainties, and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this offering memorandum and under "Part I. Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and under "Part II, Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

IFRS AND U.S. GAAP

Our consolidated financial statements are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") whereas Gamesys' consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

U.S. GAAP differs from IFRS in a number of significant respects. We have not prepared, and do not currently intend to prepare, our financial statements or the financial statements of Bally's following the completion of the Gamesys Acquisition in, or reconcile them to, IFRS and have not quantified these differences for potential investors. For a discussion of certain differences between IFRS and U.S. GAAP that are relevant to converting results of Gamesys that are presented in the Unaudited Pro Forma Condensed Combined Financial Information, see the footnotes to the Unaudited Pro Forma Condensed Combined Financial Information included herein.

In making an investment decision, you should rely on your own examination of Bally's, the terms of the proposed Gamesys Acquisition and the financial information in this offering memorandum and should consult your own professional advisors for an understanding of the differences between IFRS and U.S. GAAP.

NON-GAAP FINANCIAL MEASURES

The key performance indicator used in managing our business is adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-GAAP measure. Adjusted EBITDA is defined as earnings for the Company, or where noted the Company's reporting segments, before, in each case, interest expense, net of interest income, provision for income taxes, depreciation and amortization, acquisition, integration and restructuring expense, goodwill and asset impairment, share-based compensation, professional and advisory fees associated with capital return program, credit agreement amendment expenses, gain on insurance recoveries, CARES Act credit, and certain other gains or losses as well as, when presented for the Company's reporting segments, an adjustment related to the allocation of corporate cost among segments.

We use Adjusted EBITDA to analyze the performance of our business and it is used as a determining factor for performance based compensation for members of our management team. We have historically used Adjusted EBITDA when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of the Company's core operating results and as a means to evaluate period-to-period performance. Also, we present Adjusted EBITDA because it is used by some investors and creditors as an indicator 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. Adjusted EBITDA information is presented because management believes that it is a commonly-used measure of performance in the gaming industry and that it is considered by many to be a key indicator of the Company's operating results. Management believes that while certain items excluded from Adjusted EBITDA may be recurring in nature and should not be disregarded in evaluating the Company's earnings performance, it is useful to exclude such items when comparing current performance to prior periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods presented or they may not relate specifically to current operating trends or be indicative of future results. Adjusted EBITDA should not be construed as an alternative to GAAP net income as an indicator of the Company's performance. In addition, Adjusted EBITDA as used by the Company may not be defined in the same manner as other companies in the Company's industry, and, as a result, may not be comparable to similarly titled non-GAAP financial measures of other companies.

We also use Further Adjusted EBITDA, a non-GAAP measure. Further Adjusted EBITDA is defined as Adjusted EBITDA after giving effect to adjustments for calculating EBITDA currently permitted under our Regulatory Agreement, including COVID related adjustments, adjustments related to acquisitions and Video Lottery Terminal capital expenditures not incurred. We use Further Adjusted EBITDA to analyze the performance of our business and our compliance with the terms of our Regulatory Agreement and we believe it will provide useful information to investors in assessing our results of operations. See also "Risk Factors — Risks Relating to our Business — Our presentation of Further Adjusted EBITDA includes certain adjustments permitted under our Regulatory Agreement that may not be representative of ongoing results."

For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see "Summary — Summary Unaudited Pro Forma Condensed Combined Financial Data" and "Summary — Summary Historical Consolidated Financial Data of Bally's."

GLOSSARY OF TERMS

Unless otherwise indicated or as the context otherwise requires, a reference in this offering memorandum to:

- **"Bally's Black Hawk"** refers to the three casino properties in Black Hawk, Colorado, Bally's Black Hawk North Casino (previously Mardi Gras Casino), Bally's Black Hawk West Casino (previously Golden Gates Casino) and Bally's Black Hawk East Casino (previously Golden Gulch Casino), that we acquired from Affinity Gaming;
- **"CARES Act"** refers to the Coronavirus Aid, Relief, and Economic Security Act enacted on March 27, 2020;
- **"Casino KC"** refers to the operations and real estate of Isle of Capri Casino Kansas City, Missouri that we acquired from Eldorado Resorts, Inc. and subsequently rebranded.
- **"Casino Vicksburg"** refers to the operations and real estate of Lady Luck Casino Vicksburg in Vicksburg, Mississippi that we acquired from Eldorado Resorts, Inc. and subsequently rebranded;
- **"Code"** refers to the Internal Revenue Code of 1986, as amended;
- **"Combined Group"** refers to the combined group of Bally's and Gamesys following the completion of the Gamesys Acquisition.
- **"Company"** refers to Bally's Corporation;
- **"Division of Lotteries"** refers to the Division of Lotteries of the Rhode Island Department of Revenue;
- **"Dover Downs"** refers to Dover Downs Gaming & Entertainment, Inc.;
- **"Dover Downs Casino Hotel"** refers to the Dover Downs Hotel & Casino in Dover, Delaware;
- **"Eldorado"** refers to Eldorado Resorts, Inc., which after its merger operates as Caesars Entertainment, Inc.;
- **"Exchange Act"** refers to the U.S. Securities Exchange Act of 1934, as amended;
- "**Existing 2027 Notes**" refers to the $525 million in aggregate principal amount of 6.75% Senior Notes due 2027, which we expect to redeem in full upon the Assumption with a portion of the net proceeds from this offering;
- **"Existing Credit Agreement"** refers to the credit agreement dated May 10, 2019 (as amended and supplemented), among the Company, as Borrower, the subsidiary guarantors party thereto, the lenders party thereto and Citizens Bank, N.A., as administrative agent and collateral agent, governing the Existing Senior Secured Credit Facilities;
- **"Existing Revolving Credit Facility"** refers to a senior secured revolving credit facility, entered into on May 10, 2019 and amended March 9, 2021, in an aggregate principal amount of up to $325 million, which will mature in 2024;
- **"Existing Senior Secured Credit Facilities"** refers to the Existing Term Loan Facility and Existing Revolving Credit Facility;
- **"Existing Term Loan Facility"** refers to a senior secured term loan facility, entered into on May 10, 2019 and amended on May 11, 2020, in an aggregate principal amount of $575 million, which will mature in 2026;
- **"GAAP"** refers to accounting principles generally accepted in the United States of America;
- **"Hard Rock Biloxi"** refers to the Hard Rock Hotel & Casino located in Biloxi, Mississippi;
- **"IRS**" refers to the Internal Revenue Service;
- **"KC-Vicksburg Acquisition"** refers to the July 1, 2020 acquisition of Casino KC and Casino Vicksburg from Eldorado for approximately $230 million;

- "**New Credit Agreement**" refers to the proposed credit agreement, by and among the Company, as borrower, the subsidiaries of the Company party thereto, as guarantors, the lenders party thereto from time to time and Deutsche Bank AG, New York Branch, acting through one or more of its branches or affiliates, as administrative agent and collateral agent thereunder, pursuant to which the Lenders will agree, subject to customary closing conditions, to extend to the Company senior secured term loan facilities and senior secured revolving facilities;
- "**New Credit Facilities**" refers to the New Term Loan Facility and the New Revolving Credit Facility. Consummation of this offering is not conditioned on concurrent closing of the New Credit Facilities and repayment and termination of our existing indebtedness;
- "**New Revolving Credit Facility**" refers to the proposed revolving credit facility in an aggregate principal amount of up to $620 million under the New Credit Agreement;
- "**New Term Loan Facility**" refers to the proposed term loan facility in an aggregate principal amount of $1.945 billion under the New Credit Agreement;
- **"Newport Grand"** refers to the Newport Grand Casino formerly located in Newport, Rhode Island;
- **"Regulatory Agreement"** refers to the Amended and Restated Regulatory Agreement dated November 13, 2019 among us, our subsidiaries party thereto, the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue, as amended from time to time;
- **"Rhode Island Department of Business Regulation"** refers to the State of Rhode Island Department of Business Regulation;
- "**Takeover Code**" refers to the United Kingdom City Code on Takeovers and Mergers;
- "**Takeover Panel**" refers to the UK Panel on Takeovers and Mergers;
- **"Tiverton Casino Hotel"** refers to the Tiverton Casino and Hotel in Tiverton, Rhode Island;
- **"Twin River Casino Hotel"** refers to the Twin River Hotel and Casino in Lincoln, Rhode Island; and
- **"U.S."** or the **"United States"** refers to the country of the United States of America and its territories.

SUMMARY

This summary may not contain all the information that may be important to you. You should read the entire offering memorandum and the information incorporated by reference, including the financial statements and the notes thereto appearing elsewhere or incorporated by reference in this offering memorandum, before making an investment decision. You should pay special attention to the section entitled "Risk Factors" to determine whether participation in the offering and an investment in the notes is appropriate for you.

Overview

Our objective is to be one of the leading omni-channel gaming and interactive entertainment companies in the United States.

We are already a leading owner and operator of land-based casinos in ten states in the United States:

Property	Location	Type	Built/ Acquired	Gaming Square Footage	Slot Machines	Table Games	Hotel Rooms	Food and Beverage Outlets	Race – book	Sports – book
Twin River Casino Hotel	Lincoln, RI	Casino and Hotel	2007	162,420	4,067	114	136	21	Yes	Yes
Hard Rock Biloxi	Biloxi, MS	Casino and Resort	2014	50,984	984	55	479	18	No	Yes
Tiverton Casino Hotel	Tiverton, RI	Casino and Hotel	2018	33,840	1,000	32	83	7	Yes	Yes
Dover Downs Hotel Casino	Dover, DE	Casino, Hotel and Raceway	2019	84,075	2,060	37	500	14	Yes	Yes
Bally's Black Hawk[(1)]	Black Hawk, CO	3 Casinos	2020	34,632	572	33	—	7	No	Yes
Casino KC	Kansas City, MO	Casino	2020	39,788	848	17	—	3	No	No
Casino Vicksburg	Vicksburg, MS	Casino and Hotel	2020	32,000	486	8	89	3	No	Yes
Bally's Atlantic City	Atlantic City, NJ	Casino and Hotel	2020	83,569	1,481	93	1,214	10	No	Yes
Eldorado Resort Casino Shreveport	Shreveport, LA	Casino and Hotel	2020	49,916	1,381	53	403	7	No	No
Bally's Lake Tahoe Casino Resort	Lake Tahoe, NV	Casino and Resort	2021	48,456	344	17	438	7	Yes	Yes
Jumer's Casino and Hotel	Rock Island, IL	Casino and Hotel	2021	39,604	937	25	205	5	No	No
Tropicana Evansville	Evansville, IN	Casino and Hotel	2021	46,265	1,004	22	338	6	No	Yes

(1) Includes the Golden Gates, Golden Gulch and Mardi Gras casinos.

We acquired the rights to the name "Bally's" in 2020 as part of our strategy to become the leading U.S. full-service sports betting/iGaming company with physical casinos and online gaming solutions united under a single, prominent brand. We took other key steps to build our iGaming and sports betting business in the past year, including:

- entering into a strategic partnership with Sinclair Broadcast Group, Inc. ("Sinclair") to leverage the Bally's brand and combine our sports betting technology with Sinclair's expansive natural footprint, which includes 188 local TV stations, 19 regional sports networks, the STIRR streaming service, the Tennis Channel and five stadium digital TV and internet sports networks; and
- acquiring SportCaller, a leading B2B free-to-play game provider, in early 2021, and Bet.Works, a sports betting platform provider to operators in Colorado, New Jersey, Indiana and Iowa, and Monkey Knife Fight, the third-largest fantasy sports platform in North America, in June of 2021.

We are a Delaware corporation with our global headquarters in Providence, Rhode Island.

Recent Developments

Tropicana Evansville Transaction

On June 3, 2021, we completed our acquisition of Tropicana Evansville casino operations from Caesars Entertainment, Inc. for a total purchase price of $140 million. As part of the acquisition, Gaming and Leisure Properties, Inc., a publicly traded gaming-focused real estate investment trust, acquired the Evansville casino real estate for $340 million and leased it to Bally's for $28 million per year in rent, subject to escalation. The lease has an initial term of 15 years and includes four, five-year options.

Jumer's Transaction

On June 14, 2021, we completed our acquisition of the Jumer's Casino & Hotel ("Jumer's") in Rock Island, Illinois pursuant to an Equity Purchase Agreement under which we acquired all of the outstanding equity securities of The Rock Island Boatworks, Inc for an aggregate price of $120 million in cash, subject to certain customary post-closing adjustments.

April 2021 Equity Offerings

On April 20, 2021, we completed an underwritten public offering of 12.65 million common shares at $55.00 per share, which included 1.65 million common shares pursuant to the full exercise of the underwriters' over-allotment option. We received net proceeds of approximately $671.4 million, after deducting underwriting discounts. On the same date, we issued to affiliates of Sinclair a warrant to purchase 909,090 common shares for an aggregate purchase price of $50 million, the same price per share as the public offering price in our common stock offering.

Gamesys Transaction

On June 30, 2021, our shareholders and Gamesys' shareholders separately approved a recommended offer to acquire all of the issued and to be issued ordinary share capital of Gamesys for a mixture of cash and shares of Bally's common stock. Under the terms of the Gamesys Acquisition, Gamesys shareholders have the option to receive, for each share of Gamesys, 1,850 pence in cash or shares of Bally's common stock (at an exchange ratio of 0.343 for each Gamesys share) or a combination of both. Certain of Gamesys' current shareholders holding 25.6% of Gamesys' shares agreed to receive shares of Bally's common stock in the Gamesys Acquisition. The maximum cash consideration payable to Gamesys shareholders, if only the former Gamesys founders and Gamesys executives elected to receive shares of Bally's common stock, is £1.6 billion.

We have obtained a binding commitment pursuant to a commitment letter and an interim facilities agreement from Deutsche Bank AG, London Branch, Goldman Sachs USA and Barclays Bank PLC to provide fully committed bridge term loan facilities (collectively, the "Bridge Commitment") to fund the Gamesys Acquisition. Proceeds from this offering will be used to retire the Bridge Commitment in full.

Commitment for New Credit Facilities

Substantially concurrently with the consummation of this offering, we intend to obtain a commitment, subject to satisfaction of customary closing conditions, for the New Credit Facilities. We anticipate entering into definite documentation for the New Credit Facilities on the date the Assumption occurs. See "Description of Other Indebtedness" for a description of the anticipated terms of the New Credit Facilities. Consummation of this offering is not conditioned on concurrent closing of the New Credit Facilities and repayment and termination of our existing indebtedness.

Bally's Preliminary Results for the Second Quarter of 2021

Preliminary estimates of Bally's operating metrics for the quarter ended June 30, 2021 are presented below. We have not yet finalized our operating results for this period, and our consolidated financial statements as of and for the quarter ended June 30, 2021 are not expected to be available until after the

pricing of this offering. Consequently, our actual operating results for the quarter ended June 30, 2021 will not be available to you prior to investing in this offering.

Our actual operating results remain subject to the completion of our quarter-end closing process, which includes review by management and our audit committee. While carrying out such procedures, we may identify items that would require us to make adjustments to the preliminary estimates of our operating results set forth below. As a result, our actual operating results could be outside of the ranges set forth below and such differences could be material. Additionally, our estimates of our net revenue and Adjusted EBITDA are forward-looking statements based solely on information available to us as of the date of this offering memorandum and may differ materially from our actual operating results as a result of developments that occur after the date of this offering memorandum. Therefore, you should not place undue reliance on these preliminary estimates of our operating results. See "Forward-Looking Statements."

The preliminary estimates of our financial results included below have been prepared by, and are the responsibility of, our management. Our independent registered public accountants, or any other independent accountants, have not audited, reviewed or performed any procedures with respect to such preliminary estimates of our operating results. Accordingly, Deloitte & Touche LLP expresses no opinion or any other form of assurance with respect thereto. The information presented herein should not be considered a substitute for the financial information to be filed with the SEC in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 once it becomes available. We have no intention or obligation to update the preliminary estimates of our operating results set forth below prior to filing our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021. You should consider carefully the information set forth in the section entitled "Risk Factors" in this offering memorandum and under "Part I. Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and under "Part II, Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, and all other information and risk factors contained elsewhere in this offering memorandum for additional information regarding factors that could result in differences between the preliminary estimated ranges of certain of our financial results that are presented below and the actual financial results we will report.

We currently estimate for the three months ended June 30, 2021 total consolidated revenue of approximately $258 million to $268 million and Adjusted EBITDA of approximately $80 million to $84 million, compared to total consolidated revenue and Adjusted EBITDA of $28.9 million and negative $10.7 million, respectively, for the quarter ended June 30, 2020. We currently estimate that as of June 30, 2021, we had $1.37 billion in aggregate principal amount of total indebtedness, including $275 million of outstanding borrowings under our Existing Revolving Credit Facility. We also estimate that as of June 30, 2021, we had $195 million in cash and cash equivalents and $678 million in restricted cash.

The table below reconciles net loss to Adjusted EBITDA for the three months ended June 30, 2020.

Reconciliation of Net Loss to Adjusted EBITDA (unaudited) (in thousands)	**Three Months Ended June 30, 2020**
Net (loss) income	$(23,555)
Interest expense, net of interest income	15,110
(Benefit) provision for income taxes	(12,518)
Depreciation and amortization	9,143
Acquisition, integration and restructuring expense	2,458
Share-based compensation	2,127
CARES Act credit[(1)]	(2,885)
Credit Agreement amendment expenses[(2)]	152
Other[(3)]	(755)
Adjusted EBITDA	$(10,723)

(1) Amount represents the Employee Retention Credit under the CARES Act which provides Bally's with a refundable tax credit of 50% of up to $10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.

(2) Credit Agreement amendment expenses include costs associated with amendments made to Bally's Credit Agreement.

(3) Other includes the following non-recurring items for the applicable periods (i) expenses incurred associated with the Rhode Island State Police investigation into a tenant in the Lincoln property and a former employee of Bally's, (ii) a pension audit payment representing an adjustment to a charge for out-of-period unpaid contributions, inclusive of estimated interest and penalties, to one of Bally's multi-employer pension plans, (iii) expenses incurred associated with the campaign attempting to create an open bid process for the Rhode Island Lottery Contract, (iv) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements), (v) costs incurred in connection with the implementation of a new human resources information system, and (vi) gain related to insurance recovery proceeds received for a damaged roof at Bally's Arapahoe Park racetrack.

Gamesys has not yet finalized its operating results for the six month period ended June 30, 2021, and its consolidated financial statements as of and for that period will not be disclosed prior to the anticipated pricing of this offering. Consequently, their operating results as of and for that period will not be available to you prior to making a decision to invest in this offering.

Selected Risk Factors

Investing in the notes and our and Gamesys' businesses are subject to a number of risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this offering memorandum summary. Some of these principal risks include the following:

Risks Relating to our Business

- Our presentation of Further Adjusted EBITDA includes certain adjustments permitted under our Regulatory Agreement that may not be representative of ongoing results.
- Future changes to U.S. and non-U.S. tax laws could adversely affect our business.

Risks Relating to the Notes and the Note Guarantees

- Our significant indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations.
- We may not be able to generate sufficient cash flows to service all of our indebtedness and fund our operating expenses, working capital needs and capital expenditures, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.
- We depend on our subsidiaries for certain dividends, distributions and repayment of our indebtedness, including the notes.
- The notes and the guarantees will be our and the guarantors' unsecured obligations, respectively. As such, the notes and the guarantees will be effectively subordinated to any of our and the guarantors' existing and future secured debt, including obligations under our Existing Credit Agreement, to the extent of the value of the collateral securing such indebtedness.
- The notes and the guarantees will be structurally subordinated to all indebtedness and other obligations of our existing and future subsidiaries that are not and do not become subsidiary guarantors of the notes.
- There are restrictions on your ability to transfer or resell the notes without registration under applicable securities laws.
- You may be required to sell, and the issuer will have the right to redeem, your notes if any gaming authority finds you unsuitable to hold them.

Risks Relating to Gamesys' Business and the Gamesys Acquisition

- Declining popularity of games and changes in device preferences of players could have a negative effect on our business following the Gamesys Acquisition.

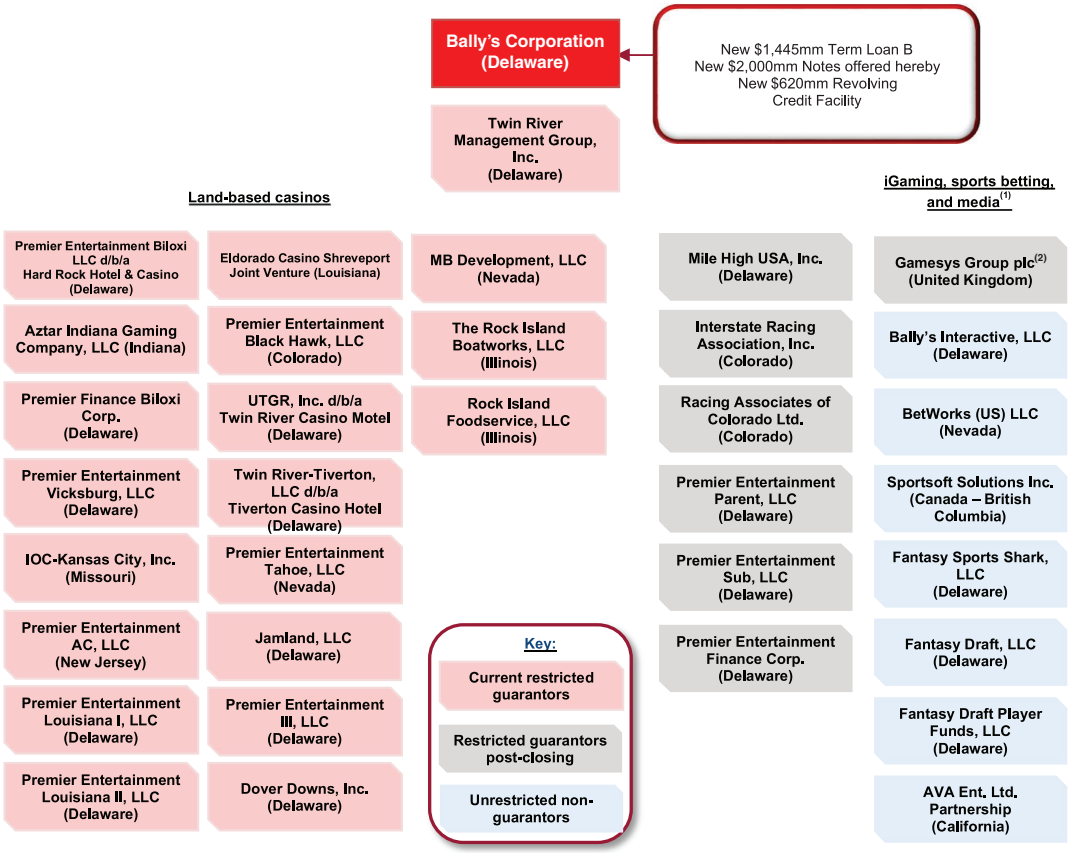
- We and Gamesys operate and, following the Gamesys Acquisition, the Combined Group will operate in a highly competitive environment.
- The profitability of Gamesys will be dependent on return to players.
- Gamesys or certain third parties that they rely on, may fail to establish and maintain effective and compliant anti-money laundering, counter terrorism financing, safer gambling, fraud detection, risk management and other regulatory policies, procedures and controls.
- Gamesys' business is subject to a variety of U.S. and foreign laws, many of which are unsettled and still developing, and which could subject Gamesys to claims or otherwise harm Gamesys' 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 Gamesys' products and services, could adversely impact Gamesys' ability to operate its 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.
- Gamesys' growth prospects depend on the legal status of real-money gaming in various jurisdictions and legalization may not occur in as many jurisdictions as Gamesys' expect, or may occur at a slower pace than Gamesys anticipates. 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 Gamesys anticipates, which could adversely affect Gamesys' future results of operations and make it more difficult to meet our expectations for financial performance.
- Gamesys derives meaningful revenues from players located in jurisdictions in which it does not hold a license.
- Gamesys is reliant on the reliability and viability of the internet infrastructure, which is out of their control, and the proper functioning of their own network systems.
- Gamesys' branded sites are heavily reliant on well-known brands owned by third parties.
- In certain circumstances, we may not be able to invoke the transaction conditions and terminate the Gamesys Acquisition, which could materially adversely affect our business.

Risks Relating to the Escrow Arrangements

- In the event that the Escrow Release Condition is not satisfied on or prior to the Termination Date, each series of notes will be subject to Special Mandatory Redemption Event, and, as a result, you may not obtain the return you expect on the notes.
- Until the satisfaction of the Escrow Release Condition, the Escrow Issuers will have limited assets and the notes will not be guaranteed by any other person.
- The closing of this offering and the funding of the proceeds therefrom into the escrow account will occur prior to the receipt of the required foreign direct investment, gaming, antitrust or other regulatory approvals for consummation of the Gamesys Acquisition, and thus Bally's may be required to comply with divestitures, including selling certain properties, conditions, terms, obligations or restrictions imposed by such regulatory entities following the consummation of this offering.
- Between the time of the issuance of the notes and the satisfaction of the Escrow Release Condition, the parties to the transactions that are part of the Escrow Release Condition may agree or be required to modify or waive the terms or conditions of such transactions without the consent of the holders of the notes.
- If, prior to the satisfaction of the Escrow Release Condition, the Escrow Issuers become subject to bankruptcy proceedings, the ability of the holders of the notes to realize upon the escrow funds will be subject to certain Bankruptcy Law limitations.
- Due to currency fluctuations, the amount of the Escrowed Property may be insufficient to fund the Special Mandatory Redemption of the notes.

Corporate Structure

The following diagram illustrates our principal subsidiaries (including certain of the note guarantors) after consummation of the Gamesys Acquisition and their jurisdiction of organization. Prior to satisfaction of the Escrow Release Condition, the notes will be senior secured obligations of the Escrow Issuers, will not be guaranteed by Bally's or any of its other subsidiaries and will be secured only by a first-priority security interest in the Escrowed Property.



(1) The North American interactive subsidiaries will be unrestricted subsidiaries and non-guarantors, but will be subject to the asset sale and debt covenants under the senior credit agreement.

(2) Following the satisfaction of the Escrow Release Condition and the Assumption, Gamesys and any of its subsidiaries that guarantee the New Credit Facilities following the receipt of all applicable regulatory approvals and subject to the satisfaction of applicable legal requirements will also guarantee the notes.

Corporate Information

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 offering memorandum.

The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. See the "Description of the Notes" section of this offering memorandum for a more detailed description of the terms and conditions of the notes.

Issuer:	The notes will initially be issued by, and solely be the obligations of, the Escrow Issuers. Upon consummation of the Gamesys Acquisition and the Assumption, Bally's will assume the Escrow Issuers' obligations under the notes and the indenture and from such date references to the "Issuer" shall be to Bally's.
Notes Offered	$750,000,000 aggregate principal amount of 5.625% Senior Notes due 2029 (the "2029 notes") and $750,000,000 aggregate principal amount of 5.875% Senior Notes due 2031 (the "2031 notes" and, together with the 2029 notes, the "notes").
Maturity	September 1, 2029, with respect to the 2029 notes September 1, 2031, with respect to the 2031 notes.
Interest Rate	5.625%, with respect to the 2029 notes and 5.875%, with respect to the 2031 notes.
Interest Payment Dates	Interest on the notes will be payable in cash on March 1 and September 1 of each year, commencing on March 1, 2022.
Escrow of Proceeds; Special Mandatory Redemption	This offering of the notes is expected to be consummated on August 20, 2021 (the "Issue Date"), which is prior to the consummation of the Gamesys Acquisition and the satisfaction of the Escrow Release Condition. On the Issue Date, the Escrow Issuers will enter into the Escrow Agreements, pursuant to which, the Escrow Issuers will deposit, or cause to be deposited, the Escrowed Property into the applicable Escrow Accounts. The release of the Escrowed Property from the Escrow Accounts will be subject to the satisfaction of certain conditions. Each series of notes will be subject to a Special Mandatory Redemption in accordance with the terms of the Indenture that will govern the notes at a redemption price equal to 100% of the initial issue price of the applicable series of notes, plus accrued and unpaid interest to, but excluding, the Special Mandatory Redemption Date if (i) the Escrow Release Condition has not been satisfied on or prior to the Termination Date or (ii) the Escrow Issuers and the Financial Adviser notify the Escrow Agent and the Trustee in writing that the Escrow Release Condition will not be satisfied by the Termination Date. See "Description of the Notes — Escrow of Proceeds; Escrow Release Condition" and "Description of the Notes — Special Mandatory Redemption."
Guarantees	Prior to satisfaction of the Escrow Release Condition on the Escrow Release Date, the notes will not be guaranteed. Following the satisfaction of the Escrow Release Condition, the notes will be guaranteed, jointly and severally, by each of Bally's restricted subsidiaries that guarantees the New Credit Facilities and certain other debt (collectively, the "guarantors"). Following the satisfaction of the Escrow Release Condition

and the Assumption Gamesys and any of its subsidiaries that guarantee the New Credit Facilities following the receipt of all applicable regulatory approvals and subject to the satisfaction of applicable legal requirements will guarantee the notes.

Ranking . . . . . Prior to satisfaction of the Escrow Release Condition on the Escrow Release Date, the notes will be senior secured obligations of the Escrow Issuers, secured only by the Escrowed Property attributable to the notes. Upon satisfaction of the Escrow Release Condition and the Assumption on the Escrow Release Date, the notes and the guarantees thereof will be Bally's and the guarantors' general senior unsecured obligations and will:

- rank senior in right of payment to our and the guarantors' future subordinated indebtedness, if any;
- rank equally in right of payment with of our and the guarantors' existing and future senior indebtedness;
- be effectively subordinated to any of our and the guarantors' existing and future secured debt, including indebtedness under the New Credit Facilities, to the extent of the value of the collateral securing such indebtedness; and
- be structurally subordinated to all existing and future indebtedness and other liabilities of the non-guarantor subsidiaries.

As of March 31, 2021, on a pro forma basis after giving effect to this offering, the Equity Offerings and the entry into the New Credit Facilities and the use of proceeds therefrom to consummate the Gamesys Acquisition and retire our and Gamesys' existing debt, we and the guarantors would have had $3.445 billion in aggregate principal amount of indebtedness outstanding, consisting of the notes offered hereby and $1.945 billion of secured indebtedness under the New Term Loan Facility. In addition, we would have had $620 million of borrowing capacity under the New Revolving Credit Facility.

Bally's non-guarantor subsidiaries accounted for approximately $1.1 million, or 0.6%, of Bally's total revenue for the three months ended March 31, 2021, ($1.0 million) of Bally's consolidated operating income for the three months ended March 31, 2021, approximately $165.9 million, or 8.6%, of Bally's consolidated total assets (excluding intercompany assets), and $4.5 million, or 0.3%, of Bally's consolidated total liabilities, in each case as of March 31, 2021. Following the satisfaction of the Escrow Release Condition and the Assumption Gamesys and any of its subsidiaries that guarantee the New Credit Facilities following the receipt of all applicable regulatory approvals and subject to the satisfaction of applicable legal requirements will guarantee the notes.

Asset Sale Proceeds . . . . . If the Issuer or its restricted subsidiaries engage in asset sales, the Issuer generally must either invest the net cash proceeds from such sales in its business within a period of time, use the

	net cash proceeds to prepay secured debt or, after the Assumption, make an offer to purchase a principal amount of the notes equal to the excess net cash proceeds. The purchase prices of the notes will be 100% of their principal amount, plus accrued and unpaid interest, if any, to but not including, the repurchase date. See "Description of the Notes — Asset Sales."
Gaming Disposition and Redemption . .	The notes are subject to disposition and redemption requirements imposed by gaming laws and regulations of applicable gaming regulatory authorities. See "Description of the Notes — Gaming Disposition, Redemption and Other Matters."
Optional Redemption	The Issuer may redeem some or all of the 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 a price equal to 100% of the principal amount of the notes to be redeemed plus the "make-whole" premium set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. In addition, prior to September 1, 2024, the Issuer may redeem up to 40% of the original principal amount of each of the 2029 notes and the 2031 notes with proceeds of certain equity offerings at redemption prices of 105.625% and 105.875%, respectively, of the aggregate principal amount of such notes, plus accrued and unpaid interest, if any, to, but not including, the date of redemption; *provided* that at least 50% of the aggregate principal amount of such series of the notes remains outstanding after such redemption. On or after September 1, 2024, in the case of the 2029 notes, and September 1, 2026, in the case of the 2031 notes, the Issuer may redeem some or all of the notes at the redemption prices set forth in this offering memorandum, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. See "Description of the Notes — Optional Redemption."
Change of Control; Mandatory Offer to Repurchase	After the Assumption, upon the occurrence of a (i) Change of Control (as defined in the "Description of the Notes") (if at such time, the notes do not have Investment Grade status (as defined in the "Description of the Notes")) or (ii) Change of Control Triggering Event (as defined in the "Description of the Notes") (if, at such time, the notes have Investment Grade Status), we must offer to repurchase the notes at a redemption price equal to 101% of the principal amount thereof plus any accrued and unpaid interest, if any, to, but not including, the repurchase date. See "Description of the Notes — Repurchase at the Option of Holders — Change of Control."
Certain Covenants	The indenture contains covenants that limit the Issuer's ability and the ability of its restricted subsidiaries to: • pay dividends or distributions or make certain other restricted payments or investments; • incur or guarantee additional indebtedness or issue certain disqualified or preferred stock;

	• create liens; • transfer and sell assets: • merge, consolidate or sell, transfer or otherwise dispose of all or substantially all of our assets; • enter into certain transactions with affiliates; • engage in lines of business other than its core business and related businesses; and • create restrictions on dividends or other payments by our restricted subsidiaries. These covenants are subject to important exceptions and qualifications as described under "Description of the Notes — Certain Covenants." Certain of these covenants will not apply during any period in which the notes are rated investment grade by two of Moody's, S&P or Fitch and no default or event of default has occurred and is continuing under the indenture governing the notes. See "Description of the Notes — Certain Covenants."
Transfer Restrictions	The notes are subject to certain restrictions on transfer. See "Transfer Restrictions."
Use of Proceeds	We intend to use all of the net proceeds from this offering of the Notes, together with proceeds of the New Term Loan Facility, the Equity Offerings and cash on hand, (i) to (a) pay the cash portion of the purchase price of the Gamesys Acquisition and retire Gamesys' existing indebtedness, (b) pay in full all amounts and terminate all commitments under our Existing Term Loan Facility, (c) repay outstanding revolving borrowings under our Existing Revolving Credit Facility, (d) redeem in full all of our Existing 2027 Notes, together with all accrued interest, fees and premiums thereon; (ii) to pay fees and expenses related to the foregoing; and (iii) for general corporate purposes, which could include, in addition to funding operations, acquisitions and other transactions.
No Active Trading Market	There is currently no active trading market for the notes. Although the initial purchasers have informed the Issuer that they intend to make a market in the notes, they are not obligated to do so, and they may discontinue market making activities at any time without notice. Accordingly, the Issuer cannot assure you that a liquid market for the notes will develop or, if such a market develops, that it will be maintained. See "Risk Factors — Risks Relating to the Notes and the Note Guarantees — We cannot assure you that an active trading market will develop for the notes."
Trustee and Paying Agent	U.S. Bank National Association.
Escrow Agent	Deutsche Bank Trust Company Americas
Risk Factors	You should consider carefully the information set forth in the section entitled "Risk Factors" in this offering memorandum and under "Part I. Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and under "Part II, Item 1A. Risk Factors" of our

	Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, and all other information and risk factors contained elsewhere in this offering memorandum before deciding to invest in the notes.
Governing Law	The notes will be governed by the laws of the State of New York.

Summary Unaudited Pro Forma Condensed Combined Financial Data

On July 1, 2020, we closed on the acquisition of the outstanding equity securities of each of Casino KC and Casino Vicksburg from Caesars Entertainment, Inc., formerly Eldorado Resorts, Inc. ("Caesars"), for an aggregate purchase price of $230 million in cash, subject to certain customary post-closing adjustments. On December 23, 2020, we closed on the acquisition of the outstanding equity securities of Eldorado Resort Casino Shreveport ("Shreveport") from Caesars for a purchase price of $140 million in cash, subject to certain customary post-closing adjustments. On April 6, 2021, we completed the acquisition of the outstanding equity securities of MontBleu Resort Casino & Spa ("MontBleu" and together with Casino KC, Casino Vicksburg and Shreveport, the "Acquired Companies") from Caesars for a purchase price of $15 million in cash, subject to certain customary post-closing adjustments. On April 13, 2021, Bally's issued an announcement pursuant to Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers disclosing the terms of the Gamesys Acquisition pursuant to which Bally's would acquire the entire issued and to be issued ordinary share capital of Gamesys. On June 3, 2021, the Company completed its acquisition of the Tropicana Evansville casino operations ("Evansville") from Caesars for a total purchase price of $139.2 million in cash, subject to customary post-closing adjustments.

On April 20, 2021, the Company announced the completion of its underwritten public offering of common stock (the "Common Stock Offering"). Bally's issued a total of 12.65 million shares of common stock in the offering, which included 1.65 million shares pursuant to the full exercise of the underwriters' over-allotment option. We received net proceeds of approximately $671.4 million, after deducting underwriting discounts. On April 20, 2021, the Corporation issued to affiliates of Sinclair a warrant to purchase 909,090 common shares for an aggregate purchase price of $50 million, the same price per share as the public offering price. The exercise price of the warrant is nominal, and its exercise is subject to, among other conditions, requisite gaming authority approvals.

The following summary unaudited pro forma condensed combined financial data as of and for the three months ended March 31, 2021 and the year ended December 31, 2020 have been prepared to illustrate the effects of certain adjustments that are expected to have a continuing impact on our pro forma results of operations from the Gamesys Acquisition, the acquisition of the Acquired Companies, the financing of the Gamesys Transaction, the Equity Offerings and the other adjustments described in the accompanying notes under the section entitled "Unaudited Pro Forma Condensed Combined Financial Information," as if each transaction had occurred on (a) January 1, 2020, in the case of the Unaudited Pro Forma Consolidated Statement of Operations Data, and (b) March 31, 2021, in the case of the Unaudited Pro Forma Consolidated Balance Sheet Data. Preparation of the unaudited pro forma condensed combined financial information is based on estimates and assumptions deemed appropriate by management, which are described more fully under the section entitled "Unaudited Pro Forma Condensed Combined Financial Information."

In addition, the summary unaudited pro forma condensed combined financial data does not purport to project the future financial position or results of operations of the Combined Group. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "Risk Factors" beginning on page 20 of this offering memorandum and "Risk Factors" included in our annual report on Form 10-K for the fiscal year ended December 31, 2020 and our quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2021. The following summary unaudited pro forma condensed combined financial data should be read in conjunction with "— Summary Historical Consolidated Financial Data of Bally's" and "— Summary Historical Consolidated Financial Data of Gamesys" included elsewhere in this offering memorandum and the unaudited pro forma condensed combined financial information included elsewhere in this offering memorandum.

(In millions)	Pro Forma Three Months Ended March 31, 2021 (unaudited)	Pro Forma Year Ended December 31, 2020 (unaudited)
Pro Forma Income Statement of Operations Data		
Revenues	$506.6	$1,529.4
Operating costs and expenses	435.5	1,585.7
Income (loss) from operations	71.1	(56.4)
Interest expense, net of amounts capitalized and interest income	(40.8)	(199.0)
Income (loss) before provision for income taxes	6.2	(144.4)
Benefit for income taxes	(8.8)	(111.4)
Net income (loss)	$ 15.0	$ (33.0)

(In millions)	Pro Forma as of March 31, 2021 (unaudited)
Pro Forma Balance Sheet Data	
Cash and cash equivalents	$ 552.7
Total assets	$6,708.4
Total liabilities	$5,057.5
Total stockholders' equity	$1,650.9

Summary Historical Consolidated Financial Data of Bally's

The following data of Bally's as of December 31, 2020 and 2019 and for the three years ended December 31, 2020 have been derived from the audited consolidated financial statements of Bally's incorporated by reference in this offering memorandum. The condensed consolidated financial data as of and for the three months ended March 31, 2021 and 2020 have been derived from Bally's unaudited condensed consolidated financial statements incorporated by reference in this offering memorandum. The summary historical consolidated financial data for the last twelve months ended March 31, 2021 is derived from the audited and unaudited consolidated financial statements described above and has been prepared solely for the purposes of this offering memorandum, is not necessarily indicative of the results that may be expected for the year ended December 31, 2021, or at any future date, and should not be used as the basis for or prediction of an annualized calculation. Such financial data was calculated by adding the corresponding data for the three months ended March 31, 2021 to the corresponding data for the year ended December 31, 2020, and subsequently subtracting the corresponding data for the three months ended March 31, 2020. This information is only a summary and should be read in conjunction with the consolidated financial statements of Bally's and the notes thereto and the "Unaudited Pro Forma Condensed Combined Financial Information" and the notes thereto incorporated by reference in this offering memorandum.

	Three Months Ended March 31,		Years Ended December 31,		
(In millions)	2021	2020	2020	2019	2018
Income Statement Data					
Revenue	$192.3	$109.1	$372.8	$523.6	$437.5
Operating costs and expenses	162.8	112.3	391.2	409.0	316.9
(Loss) Income from operations	29.5	(3.2)	(18.4)	114.6	120.6
Interest expense, net of amounts capitalized	(20.8)	(11.5)	(63.2)	(39.8)	(23.0)
Loss on extinguishment and modification of debt	—	—	—	(1.7)	—
Change in value of naming rights liabilities[(1)]	(27.4)	—	(57.7)	—	—
Gain on bargain purchases	—	—	63.9	—	—
Other, net	3.2	0.1	0.6	2.1	0.2
(Loss) Income before provision for income taxes	(15.5)	(14.5)	(74.8)	75.2	97.8
(Benefit) Provision for income taxes	(4.8)	(5.7)	(69.3)	20.1	26.4
Net (loss) income	(10.7)	(8.9)	(5.5)	55.1	71.4
Deemed dividends related to change in fair value of common stock subject to possible redemption	—	—	—	—	0.6
Net income applicable to common stockholders	$(10.7)	$ (8.9)	$ (5.5)	$ 55.1	$ 72.1

	As of March 31,	As of December 31,	
(In millions)	2021	2020	2019
Balance Sheet Data			
Cash and cash equivalents	$ 151.6	$ 123.4	$ 182.6
Total assets	2,138.8	1,929.9	1,021.9
Total liabilities	1,684.1	1,603.3	810.5
Total stockholders' equity	454.7	326.6	211.4

(In millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019	Years Ended December 31, 2018
Net cash provided by (used in)					
Operating activities	$ 25.9	$ 17.3	$ 19.5	$ 94.1	$ 109.2
Investing activities	(28.9)	(53.4)	(444.8)	(38.9)	(117.6)
Financing activities	31.9	212.2	366.4	48.9	(3.4)

(In millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019	Years Ended December 31, 2018
Other data					
Adjusted EBITDA[(2)]	$52.5	$22.1	$70.4	$167.1	$165.7

(In millions)	Three Months Ended March 31, 2021	Last Twelve Months Ended March 31, 2021
Other data		
Further Adjusted EBITDA[(3)]	$85.9	$321.0

(1) Represents non-cash valuation adjustments related to stock warrants issued under the terms of the Sinclair agreement for naming rights of the regional sports networks. Refer to Note 9 "Sinclair Agreement" in Bally's consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

(2) Net Income to Adjusted EBITDA is reconciled below.

(In millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019	Years Ended December 31, 2018
Net (loss) income	$(10.7)	$ (8.9)	$ (5.5)	$ 55.1	$ 71.4
Interest expense, net of interest income	20.3	11.4	62.6	37.9	22.8
Provision (Benefit) for income taxes	(4.8)	(5.7)	(69.3)	20.0	26.4
Depreciation and amortization	12.8	9.0	37.8	32.4	22.3
Non-operating income	(2.7)	—	—	(0.2)	—
Acquisition, integration and restructuring expense[(a)]	12.3	1.8	13.3	12.2	6.8
Share-based compensation	4.5	5.5	17.7	3.8	(1.5)
Other[(b)]	20.9	3.5	13.8	5.8	17.3
Adjusted EBITDA	$ 52.5	$22.1	$ 70.4	$167.1	$165.7

(a) Acquisition, integration and restructuring expense includes legal and financial advisory costs related to the merger with Dover Downs and related one-time costs of becoming a public company, costs associated with the acquisitions of Bally's Black Hawk, Kansas City, Vicksburg, Bally's Atlantic City, Shreveport, MontBleu and other pending acquisitions including Gamesys. Restructuring costs primarily reflect severance charges related to the Dover Downs integration.

(b) Other includes the following non-recurring items for the applicable periods (i) expenses incurred associated with the Rhode Island State Police investigation into a tenant in the Lincoln property and a former employee of the Company, (ii) a pension audit payment representing an adjustment to a charge for out-of-period unpaid contributions, inclusive of estimated interest and penalties, to one of the Company's multi-employer pension plans, (iii) expenses incurred associated with the campaign attempting to create an open bid process for the Rhode Island Lottery Contract, (iv) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements), (v) costs incurred in connection with the implementation of a new human resources information system,

(vi) legal and financial expenses associated with the Company's review of strategic alternatives, (vii) professional and advisory fees incurred related to a capital return program under which the Company both executed a stock repurchase program and paid quarterly dividends, (viii) the Employee Retention Credit under the CARES Act which provides the Company with a refundable tax credit of 50% of up to $10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19, (ix) Credit Agreement amendment expenses, (x) gains related to insurance recovery proceeds, (xi) expenses incurred to establish the partnership with Sinclair and acquisition costs attributable to the Bet.Works acquisition, (xii) loss on the sale of the land and building, write-down of building improvements and write-off of equipment related to the Newport Grand, (xiii) costs incurred to apply for and obtain sports and iGaming licenses in various jurisdictions, and (xiv) expansion and pre-opening expenses relating to the Tiverton Casino Hotel and the Twin River Casino Hotel.

(3) Net Income to Adjusted EBITDA and Further Adjusted EBITDA is reconciled below.

(In millions)	Three Months Ended March 31, 2021	Twelve Months Ended March 31, 2021
Net (loss) income	$(10.7)	$ (7.3)
Interest expense, net of interest income	20.3	71.5
Provision (Benefit) for income taxes	(4.8)	(68.5)
Depreciation and amortization	12.8	41.6
Non-operating income	(2.7)	(2.7)
Acquisition, integration and restructuring expense[(a)]	12.3	23.7
Share-based compensation	4.5	16.6
Other[(b)]	20.9	25.7
Adjusted EBITDA	$ 52.5	$100.8
Existing properties Covid adjustments[(c)]	6.0	95.4
Pro forma Bally's AC[(d)]	9.5	24.3
Pro forma for casino acquisitions[(e)]	11.7	75.5
Avoided capex[(f)]	6.3	25.0
Further Adjusted EBITDA	$ 85.9	$321.0

(a) Acquisition, integration and restructuring expense includes legal and financial advisory costs related to the merger with Dover Downs and related one-time costs of becoming a public company, costs associated with the acquisitions of Bally's Black Hawk, Kansas City, Vicksburg, Bally's Atlantic City, Shreveport, MontBleu and other pending acquisitions including Gamesys. Restructuring costs primarily reflect severance charges related to the Dover Downs integration.

(b) Other includes the following non-recurring items for the applicable periods (i) expenses incurred associated with the Rhode Island State Police investigation into a tenant in the Lincoln property and a former employee of the Company, (ii) a pension audit payment representing an adjustment to a charge for out-of-period unpaid contributions, inclusive of estimated interest and penalties, to one of the Company's multi-employer pension plans, (iii) expenses incurred associated with the campaign attempting to create an open bid process for the Rhode Island Lottery Contract, (iv) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements), (v) costs incurred in connection with the implementation of a new human resources information system, (vi) legal and financial expenses associated with the Company's review of strategic alternatives, (vii) professional and advisory fees incurred related to a capital return program under which the Company both executed a stock repurchase program and paid quarterly dividends, (viii) the Employee Retention Credit under the CARES Act which provides the Company with a refundable tax credit of 50% of up to $10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19, (ix) Existing Credit Agreement amendment expenses, (x) gains related to insurance recovery proceeds, (xi) expenses incurred to establish the partnership with Sinclair and acquisition costs attributable to the Bet.Works acquisition, (xii) costs incurred to apply for and obtain sports and

iGaming licenses in various jurisdictions, and (xiii) expansion and pre-opening expenses relating to the Twin River Casino Hotel.

(c) As permitted under the terms of our Regulatory Agreement, the higher of Q4 2019 or actual EBITDA as reported on a property by property basis. Q4 2019 results may not be indicative of ongoing results. See "Risk Factors — Risks Relating to our Business — Our presentation of Further Adjusted EBITDA includes certain adjustments permitted under our Regulatory Agreement that may not be representative of ongoing results."

(d) In consideration of the seasonality of operating results at Bally's Atlantic City and the impact of COVID-19, we are permitted under the terms of our Regulatory Agreement to use the average of 2019 EBITDA per quarter. Bally's Atlantic City average of 2019 EBITDA per quarter may not be indicative of ongoing results. See "Risk Factors — Risks Relating to our Business — Our presentation of Further Adjusted EBITDA includes certain adjustments permitted under our Regulatory Agreement that may not be representative of ongoing results."

(e) As permitted under the terms of our Regulatory Agreement, pro forma for the acquisitions of Casino KC, Casino Vicksburg and Eldorado Resort Casino Shreveport, as if owned for full year 2020 with the higher of Q4 2019 or actual EBITDA on a property by property basis. Such results may not be indicative of ongoing results. See "Risk Factors — Risks Relating to our Business — Our presentation of Further Adjusted EBITDA includes certain adjustments permitted under our Regulatory Agreement that may not be representative of ongoing results."

(f) As permitted under the terms of our Regulatory Agreement, the estimate of Video Lottery Terminal ("VLT") capital expenditures not incurred by Bally's.

Summary Historical Consolidated Financial Data of Gamesys

The following summary consolidated financial data of Gamesys as of and for the years ended December 31, 2020 and 2019 has been extracted without material adjustment from Gamesys' audited consolidated financial statements incorporated by reference into this offering memorandum. The summary consolidated financial data as of March 31, 2021 and for the three months ended March 31, 2021 and 2020 has been extracted without material adjustment from Gamesys' unaudited consolidated financial statements incorporated by reference into this offering memorandum. This summary should be read in conjunction with that information. The summary historical consolidated financial data for the last twelve months ended March 31, 2021 is derived from the audited and unaudited consolidated financial statements described above and has been prepared solely for the purposes of this offering memorandum, is not necessarily indicative of the results that may be expected for the year ended December 31, 2021, or at any future date, and should not be used as the basis for or prediction of an annualized calculation. Such financial data was calculated by adding the corresponding data for the three months ended March 31, 2021 to the corresponding data for the year ended December 31, 2020, and subsequently subtracting the corresponding data for the three months ended March 31, 2020. The historical results presented here are not necessarily indicative of the results to be expected in the future or if the Gamesys Acquisition is consummated.

Gamesys' consolidated financial statements are prepared in accordance with IFRS whereas Bally's consolidated financial statements are prepared in accordance with U.S. GAAP. In reviewing Gamesys' consolidated financial statements, you should consider the fact IFRS differs from U.S. GAAP in a number of significant respects. See "IFRS and U.S. GAAP."

	As of and for the Three Months Ended March 31,		As of and for the Years Ended December 31,		Last Twelve Months Ended March 31,
(In £ millions, except per share data)	**2021**	**2020**	**2020**	**2019**	**2021**
	(unaudited)				**(unaudited)**
Statement of Comprehensive Income Data:					
Gaming revenue	197.8	155.3	727.7	415.1	
Net income for the year before taxes from continuing operations	28.3	5.3	68.7	12.0	
Net income for the year after taxes from continuing operations	23.8	4.1	67.2	9.1	
Total comprehensive income for the year attributable to owners of the parent	22.7	3.1	60.1	1.9	
Per Common Share Data:					
Net income for the year per share, basic	21.8p	3.8p	61.8p	10.1p	
Net income for the year per share, diluted	21.7p	3.8p	61.5p	10.0p	
Dividend declared per share	—	—	40p	—	
Balance Sheet Data:					
Cash	250.9		212.6	100.3	
Total assets	1,280.0		1,265.5	1,211.5	
Long-term debt	492.0		508.1	530.3	
Total equity	542.1		519.4	464.8	
Other Financial Data: (unaudited)					
Adjusted EBITDA[(a)]	56.2	41.0	206.2	117.7	221.4

(a) "Adjusted EBITDA" is net income for the year after taxes from continuing operations before interest expense, net, tax expense, amortisation and depreciation, impairment of purchase price intangibles, fair value adjustments on contingent consideration, severance costs, one-off tax charges, transaction

related costs and foreign exchange (gain)/loss. Management believes that Adjusted EBITDA is an important indicator of Gamesys' ability to generate liquidity to service outstanding debt and uses this metric for such purpose. The exclusion of impairment of purchase price intangibles, fair value adjustments on contingent consideration, severance costs, one-off tax charges, transaction related costs and foreign exchange (gain)/loss eliminates items which management believes are either non-operational and/or non-routine. Below is a reconciliation of net income to Adjusted EBITDA for the periods presented:

	Three Months Ended March 31,		Year Ended December 31,		Last Twelve Months Ended March 31,
(In £ millions)	**2021**	**2020**	**2020**	**2019**	**2021**
	(unaudited)				**(unaudited)**
Net income for the year after taxes from continuing operations	23.8	4.1	67.2	9.1	86.9
Interest expense, net[(1)]	5.0	6.4	24.7	22.7	23.3
Taxes expense	4.5	1.2	1.5	2.9	4.8
Amortisation and depreciation	24.5	22.8	100.0	62.2	101.7
Impairment of purchase price intangibles	—	—	4.1	—	4.1
Accretion of financial liabilities	0.3	0.3	—	—	—
EBITDA	**58.1**	**34.8**	**197.5**	**96.9**	**220.8**
Severance costs	0.8	—	1.9	—	2.7
Fair value adjustments on contingent consideration	—	—	—	0.5	—
One-off tax charges	(0.4)	—	0.8	6.0	0.4
Transaction-related costs	1.9	2.2	1.8	15.8	1.5
Foreign exchange loss/(gain)	4.2	4.0	4.2	(1.5)	4.4
Adjusted EBITDA	**56.2**	**41.0**	**206.2**	**117.7**	**221.4[(2)]**

(1) Interest expense, net is comprised of interest income, interest expense and accretion on financial liabilities.

(2) The historical financial information of Gamesys was prepared in accordance with IFRS and presented in Pounds Sterling. Utilizing the daily closing exchange rate at July 16, 2021 of £1/US$1.3792, Adjusted EBITDA for the last twelve months ended March 31, 2021 for Gamesys would be $305.4 million. This exchange rate may differ from future exchange rates.

RISK FACTORS

An investment in our notes involves various risks. You should carefully consider the following risks and all of the other information contained in this offering memorandum before investing in our notes. In addition, you should read and consider the risk factors associated with our business included in the documents incorporated by reference in this offering memorandum, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and our quarterly report on Form 10-Q for the quarter ended March 31, 2021. See "Where You Can Find More Information." We cannot assure you that any of the events discussed in the risk factors below will not occur. If these risks occur, the value of our securities could decline and you could lose some or all of your investment.

Risks Relating to our Business

Our presentation of Further Adjusted EBITDA includes certain adjustments permitted under our Regulatory Agreement that may not be representative of ongoing results.

This offering memorandum includes descriptions of Further Adjusted EBITDA, which contains certain adjustments that are permitted under our Regulatory Agreement. We define Further Adjusted EBITDA as Adjusted EBITDA after giving effect to adjustments for calculating EBITDA currently permitted under our Regulatory Agreement, including COVID related adjustments, adjustments related to acquisitions and Video Lottery Terminal capital expenditures not incurred.

Our presentation of Further Adjusted EBITDA includes certain adjustments that may not be representative of ongoing results. Some of these adjustments are estimated for certain limited periods and estimated determined based on past results. The limited periods being utilized may not be representative of a longer period due to seasonality, the impact of COVID-19, changes in consumer behavior or other reasons. Given these adjustments, Further Adjusted EBITDA does not represent actual historical results and may not be representative of ongoing results. You should not place undue reliance on these adjustments. See "Non-GAAP Financial Measures."

Future changes to U.S. and non-U.S. tax laws could adversely affect our business.

The U.S. Congress, the Organization for Economic Co-operation and Development 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 where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the United States, the United Kingdom 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 (including Bally's and its affiliates after the Gamesys Acquisition).

In addition, the U.S. 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 the global intangible low-taxed income and elimination of certain exemptions, and the imposition of minimum taxes or surtaxes on certain types of income. No specific United States 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 prior to or following the Gamesys Acquisition.

Risks Relating to the Notes and the Note Guarantees

Our significant indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations.

As of March 31, 2021, on a pro forma basis after giving effect to this offering, the Equity Offerings and the entry into the New Credit Facilities and the use of proceeds therefrom to consummate the Gamesys Acquisition and retire our and Gamesys' existing debt, we and the guarantors would have had $3.445 billion in aggregate principal amount of indebtedness outstanding, consisting of the notes offered hereby and

$1.945 billion of secured indebtedness under the New Term Loan Facility. In addition, we would have had $620 million of borrowing capacity under the New Revolving Credit Facility. That debt could, among other things:

- require us to dedicate a large portion of our cash flow from operations to the servicing and repayment of our debt, thereby reducing funds available for working capital, capital expenditures and acquisitions, and other general corporate requirements;
- limit our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- restrict our ability to make strategic acquisitions or dispositions or to exploit business opportunities;
- increase our vulnerability to general adverse economic and industry conditions and increases in interest rates;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- adversely affect our credit rating or the market price of our common stock.

Any of these risks could impact our ability to fund our operations or limit our ability to expand our business, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may incur additional indebtedness, which could further increase the risks associated with our leverage.

We and our subsidiaries may incur significant additional indebtedness in the future, which may include financing relating to capital expenditures, potential acquisitions or business expansion, working capital or general corporate purposes. Substantially concurrently with the closing of the Gamesys Acquisition, we expect to enter into the New Credit Facilities, which will provide for a term loan facility in an aggregate principal amount of $1.945 billion and a revolving credit facility in an aggregate principal amount of up to $620 million. In addition, the indenture governing the notes will permit, us and our subsidiaries, subject to specific limitations, to incur additional indebtedness, including secured indebtedness. If new indebtedness is added to our current level of indebtedness, the related risks that we now face could intensify.

We may not be able to generate sufficient cash flows to service all of our indebtedness and fund our operating expenses, working capital needs and capital expenditures, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our indebtedness will depend upon our future operating performance and our ability to generate cash flow in the future, which are subject to general economic, financial, business, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness or fund our other liquidity needs. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investment and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. Our Existing Credit Agreement and the indenture governing the Existing 2027 Notes, and the indenture governing the notes and the New Credit Agreement will, restrict our ability to dispose of assets and use the proceeds from asset dispositions, and may also restrict our ability to raise debt or equity capital to repay or service our indebtedness. If we cannot make scheduled payments on our debt, we will be in default and, as a result, our lenders could declare all outstanding amounts to be due and payable, terminate or suspend their commitments to loan money and foreclose against the collateral securing such debt, and we could be forced into bankruptcy or liquidation, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects and could result in you losing your investment in our company.

Covenants in our debt instruments restrict our business and could limit our ability to implement our business plan.

Our Existing Credit Agreement and the indenture governing the Existing 2027 Notes contain, the indenture governing the notes and the New Credit Agreement will contain, and any future debt instruments likely will contain, covenants that may restrict our ability to implement our business plan, finance future operations, respond to changing business and economic conditions, secure additional financing, and engage in opportunistic transactions, such as strategic acquisitions. These covenants restrict, among other things, our ability to do the following:

- incur, assume or guarantee additional indebtedness;
- issue redeemable stock and preferred stock;
- grant, assume or incur liens;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- make loans and investments;
- pay dividends, make distributions, or redeem or repurchase capital stock;
- voluntarily prepay, redeem or repurchase certain indebtedness;
- enter into transactions with affiliates;
- consolidate or merge with or into, or sell or otherwise dispose of a substantial part of our business or assets to, another person;
- grant negative pledges or otherwise enter into transactions restricting, among other things, our ability to pay dividends, make distributions, repay or guarantee indebtedness, or make intercompany investments or transfers; or
- engage in other lines of business.

In addition, our Existing Revolving Credit Facility contains and it is expected that our New Revolving Credit Facility will contain a financial covenant applying, (x) in the case of the Existing Revolving Credit Facility, a maximum total net leverage ratio, and, (y) in the case of the New Revolving Credit Facility, a maximum first lien net leverage ratio, in each case, when borrowings and letters of credit (excluding certain undrawn letters of credit) under the facility exceed 30% of the total revolving commitment. The Existing Credit Agreement is, and the New Credit Agreement will be, secured by liens on substantially all of our and the subsidiary guarantors' present and future assets (subject to certain exceptions).

If we default under our Existing Credit Agreement, the indenture governing the Existing 2027 Notes, the New Credit Agreement or the indenture governing the notes because of a covenant breach or otherwise, all outstanding amounts thereunder could become immediately due and payable. We cannot assure you that we will be able to comply with the covenants in our Existing Credit Agreement and the New Credit Agreement or that any covenant violations will be waived. Any violation that is not waived could result in an event of default and, as a result, our lenders could declare all outstanding amounts to be due and payable, terminate or suspend their commitments to loan money and foreclose against the collateral securing such debt, and we could be forced into bankruptcy or liquidation, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects and could result in you losing your investment in our company.

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

The borrowings under our Existing Credit Agreement are subject to and borrowing under our New Credit Agreement will be subject to, variable rates of interest, primarily based on London Interbank Offered Rate ("LIBOR") and expose us to interest rate risk. LIBOR tends to fluctuate based on general economic conditions, general interest rates, Federal Reserve rates and the supply of and demand for credit in the London interbank market. Increases in the interest rate generally, and particularly when coupled with any significant variable rate indebtedness, could materially adversely impact our interest expenses. If interest rates were

to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. We are not required to enter into interest rate swaps to hedge such indebtedness. If we decide not to enter into hedges on such indebtedness, our interest expense on such indebtedness will fluctuate based on LIBOR or other variable interest rates. Consequently, we may have difficulties servicing such unhedged indebtedness and funding our other fixed costs, and our available cash flow for general corporate requirements may be materially adversely affected. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

We depend on our subsidiaries for certain dividends, distributions and repayment of our indebtedness, including the notes.

The source of much of our cash flow to pay interest on the notes and make payments on our other indebtedness 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 interest or principal on the notes. Our subsidiaries will not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Unless they guarantee the notes, our subsidiaries may not be able to, or be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In addition, while the indenture governing the notes limits the ability of our restricted subsidiaries to restrict the payment of dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Following the Assumption, the notes and the guarantees will be our and the guarantors' unsecured obligations, respectively. As such, the notes and the guarantees will be effectively subordinated to any of our and the guarantors' existing and future secured debt, including obligations under our New Credit Agreement, to the extent of the value of the collateral securing such indebtedness.

From and after the Assumption, our obligations under the notes and the guarantors' obligations under the guarantees will not be secured by any of our or the guarantors' assets. As a result, the notes and the guarantees will be effectively subordinated to our and the guarantors' existing and any future secured indebtedness, including indebtedness under the New Credit Agreement and any other secured indebtedness incurred in the future, to the extent of the value of the collateral securing such indebtedness, which, in the case the New Credit Agreement, will include substantially all of our assets that may be pledged as collateral pursuant to applicable gaming laws. As of March 31, 2021, on a pro forma basis after giving effect to this offering, the Equity Offerings and the entry into the New Credit Facilities and, use of proceeds therefrom to consummate the Gamesys Acquisition and retire our and Gamesys existing debt, we would have had $1.945 billion of secured indebtedness under the New Term Loan Facility. In addition, we would have had $620 million of borrowing capacity under the New Revolving Credit Facility. See "Use of Proceeds" and "Capitalization." In addition, we may incur additional secured debt in the future, and the notes and the guarantees will be effectively subordinated to any such secured debt that the issuer or its subsidiaries may incur to the extent of the value of the collateral securing such debt.

In the event of bankruptcy, insolvency, dissolution, liquidation or reorganization, or upon a default in payment on, or the acceleration of, any of our secured indebtedness, holders of our secured debt could foreclose on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the indenture governing the notes at such time and, as a result, such holders of our secured debt would be paid before holders of the notes receive any amounts due under the notes to the extent of the value of the collateral securing such indebtedness. In that event, holders of the notes may not be able to recover any or all of the principal or interest due under the notes and holders of the notes may receive less, ratably, than the holders of secured debt in the event of our or the guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization.

Furthermore, if the holders of our secured debt foreclose upon and sell the pledged equity interests in any guarantor, then that guarantor will be released from its guarantee automatically and immediately upon such sale. In any such event, because the notes will not be secured by any of our assets or the equity interests in the guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims in full.

The notes and the guarantees will be structurally subordinated to all indebtedness and other obligations of our existing and future subsidiaries that are not and do not become subsidiary guarantors of the notes.

From and after the Assumption, the notes will be guaranteed by each of our subsidiaries that guarantee our obligations under our New Credit Agreement and certain other debt. Except for such subsidiary guarantors, our subsidiaries that do not guarantee the notes will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes and guarantees will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of such non-guarantor subsidiary, all of such subsidiary's creditors (including trade creditors) would be entitled to payment in full out of such subsidiary's assets before we would be entitled to any payment.

In addition, the indenture permits our non-guarantor subsidiaries to incur certain additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by such subsidiaries.

Because each guarantor's liability under its guarantees may be reduced to zero, voided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.

From and after the Assumption, holders of the notes will have the benefit of the guarantees of the subsidiary guarantors. However, the guarantees by the subsidiary guarantors will be limited to the maximum amount that the subsidiary guarantors are permitted to guarantee under applicable law. As a result, a subsidiary guarantor's liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such subsidiary guarantor. Further, under the circumstances discussed more fully below, a court under federal and state fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. See "Risk Factors — Risks Relating to the Notes and the Note Guarantees — The notes or the guarantees may not be enforceable because of fraudulent conveyance or fraudulent transfer laws and, as a result, you may be required to return payments received by you in respect of the notes or the guarantees." In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under "Risk Factors — Risks Relating to the Notes and the Notes Guarantees."

The notes or the guarantees may not be enforceable because of fraudulent conveyance or fraudulent transfer laws and, as a result, you may be required to return payments received by you in respect of the notes or the guarantees.

The issuance of the notes or Assumption by us or the incurrence of the guarantees by our guarantors (including any future note guarantees) may be subject to review under United States federal bankruptcy law or relevant state fraudulent conveyance or fraudulent transfer laws if a bankruptcy case or lawsuit is commenced by or on behalf of us or the guarantors of the notes or our or their unpaid creditors. Under these laws, if in such a case or lawsuit a court were to find that, at the time we issued the notes or such guarantor incurred a guarantee of the notes, the issuer or such guarantor:

- issued the notes or incurred the guarantee of the notes with the intent of hindering, delaying or defrauding current or future creditors;
- received less than reasonably equivalent value or fair consideration for issuing the notes or incurring the guarantee;
- was insolvent or was rendered insolvent;
- was engaged, or about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or

- intended to incur, or believed that it would incur, debts and obligations beyond its ability to pay as such debts and obligations matured (as all of the foregoing terms are defined in or interpreted under the relevant fraudulent conveyance or transfer statutes), then such court could avoid the notes or the guarantee of such guarantor or subordinate the amounts owing under the notes or such guarantee to us or such guarantor's presently existing or future debt, or take other actions detrimental to you.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. Based on financial and other information, we believe that the notes and the guarantees will be incurred for proper purposes and in good faith and that we and each guarantor are solvent and will continue to be solvent after this offering is completed, will have sufficient capital for carrying on our or its business after this offering is completed and will be able to pay our or its indebtedness as it matures. We cannot assure you, however, that a court reviewing these matters would agree with us. A legal challenge to the notes or a guarantee on fraudulent conveyance or fraudulent transfer grounds may focus on the benefits, if any, realized by us or the guarantors as a result of the issuance of the guarantees. Specifically, a court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the guarantor did not substantially benefit directly or indirectly from the issuance of the notes. Thus, it may be asserted (and a court may consequently determine) that the guarantors incurred their guarantees for our benefit and did not themselves receive a direct or indirect benefit from the issuance of the notes, such that they incurred the obligations under the guarantees for less than equivalent value or fair consideration.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any proceeding. Generally, a company would be considered insolvent if, at the time it incurred the debt or issued the guarantee:

- the sum of its debts (including contingent liabilities) is greater than its assets, at fair valuation;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; or
- it could not pay its debts as they became due.

In addition, any payment by the issuer pursuant to the notes or by a guarantor under a guarantee made at a time the issuer or such guarantor were found to be insolvent could be voided and required to be returned to the issuer or such guarantor or to a fund for the benefit of the issuer's or such guarantor's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give such insider or outsider party more than such party would have received in a distribution under Title 11 of the United States Code (the "Bankruptcy Code") in a hypothetical Chapter 7 case. In addition, any future guarantee in favor of the holders of the notes might be avoidable by such guarantor (as debtor-in-possession) or by its trustee in bankruptcy or other third parties if certain events or circumstances exist or occur. For instance, if the entity granting the future guarantee was insolvent at the time of the grant and if such grant was made within 90 days before that entity commenced a bankruptcy proceeding (or one year before commencement of a bankruptcy proceeding if the creditor that benefited from the guarantee is an "insider" under the Bankruptcy Code), and the granting of the future guarantee enabled the holders of the notes to receive more than they would if the guarantor were liquidated under Chapter 7 of the Bankruptcy Code, then such guarantee could be avoided as a preferential transfer. Guarantees granted after the issue date may be treated under Bankruptcy Law as if they were delivered to guarantee previously existing indebtedness. In bankruptcy proceedings commenced within 90 days of the issuance of a guarantee, any such guarantee given to guarantee previously existing indebtedness is more likely to be avoided as a preference by the bankruptcy court than if delivered and promptly recorded on the issue date. Accordingly, if any guarantor were to file for bankruptcy protection after the issue date of the notes and the guarantees had been granted less than 90 days before the commencement of such bankruptcy proceeding, such guarantees of the notes may be particularly subject to challenge as a result of having been delivered after the issue date. To the extent that such challenge succeeded, the holders of the notes would lose the benefit of the guarantee that the collateral was intended to provide.

We cannot assure you as to what standard a court would apply in determining whether we or the guarantors were solvent at the relevant time or that a court would agree with our conclusions in this regard,

or, regardless of the standard that a court uses, that it would not determine that we or a guarantor were indeed insolvent on that date; that any payments to the holders of the notes (including under the guarantees) did not constitute preferences, fraudulent transfers or conveyances on other grounds; or that the issuance of the notes and the guarantees would not be subordinated to our or any guarantor's other debt.

If a guarantee is avoided as a fraudulent conveyance or found to be unenforceable for any reason, you will not have a claim against that obligor and will only be a creditor of us or any guarantor to the extent any such obligation is not set aside or found to be unenforceable. Sufficient funds to repay the notes may not be available from these other sources, including the remaining obligors, if any; accordingly, in the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. You may also be required to return payments you have received with respect to such guarantees.

Each guarantee will contain a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective (as a legal matter or otherwise) to protect the guarantees from being avoided under applicable fraudulent transfer laws or may reduce the guarantor's obligation to an amount that effectively makes the guarantee worthless. In a Florida bankruptcy court decision (which was subsequently reinstated by the United States Court of Appeals for the Eleventh Circuit on different grounds), this kind of provision was found to be ineffective to protect the guarantees.

Finally, as a court of equity, a bankruptcy court may subordinate the claims in respect of the notes or guarantees to other claims against us or the guarantors, respectively, under the principle of equitable subordination if the court determines that (a) the holder of notes engaged in some type of inequitable conduct, (b) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the notes and (c) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

We may not be able to finance the repurchase of the notes required by the indenture governing the notes upon the occurrence of certain change of control events.

Under the indenture that governs the notes, including the notes offered hereby, following the Escrow Release Date, upon the occurrence of a Change of Control (as defined in " — Description of the Notes"), we will be required to offer to repurchase all of the notes then outstanding at 101% of the principal amount, plus any accrued and unpaid interest, if any, to, but not including, the repurchase date. Similarly, a change of control under our New Credit Agreement would constitute an event of default thereunder, requiring repayment of amounts due thereunder. In addition, any of our future debt agreements may contain similar provisions.

The source of funds for any repurchase of the notes and repayment of borrowings under our New Credit Agreement following a Change of Control would be our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. However, it is possible that we will not have sufficient funds at the time of the Change of Control to make the required repurchase of notes or that restrictions in our New Credit Agreement will not allow such repurchases.

In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture that governs the notes, constitute a "Change of Control" that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See "Description of the Notes — Repurchase at the Option of Holders — Change of Control."

Holders of the notes may not be able to determine when a Change of Control giving rise to their right to have the notes repurchased under a Change of Control has occurred following a sale of "substantially all" of our assets.

One of the circumstances under which a Change of Control may occur that may require us to repurchase the notes under a Change of Control is upon the sale or disposition of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the

ability of a holder of notes to require us to repurchase its notes as a result of a sale of less than all our assets to another person may be uncertain.

Ratings of the notes and other factors may affect the market price and marketability of the notes.

We currently expect that, upon issuance, the notes will be rated by Moody's, S&P and Fitch. Such ratings will be limited in scope, and will not address all material risks relating to an investment in the notes, but rather will reflect only the view of each rating agency at the time it issues the rating. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will be issued or remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. It is also possible that such ratings may be lowered in connection with the application of the proceeds of this offering or in connection with future events, such as future acquisitions. Holders of the notes will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of the notes. In addition, the condition of the financial markets and other factors may affect the market prices or marketability of the notes.

We cannot assure you that an active trading market will develop for the notes.

We do not intend to list the notes on any national securities exchange. We have been advised by the initial purchasers that following the completion of this offering, the initial purchasers may make a market in the notes. However, the initial purchasers are not obligated to do so and, even if they do, they may discontinue market-making activities at any time. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. If a market were to develop, the notes could trade at prices that are lower than the initial offering prices depending on many factors, including prevailing interest rates, general economic conditions and our financial condition, performance and prospects.

Even if an active trading market for the notes does develop, there is no guarantee that it will continue. The market, if any, for the notes may experience disruptions caused by substantial volatility in the prices of the notes, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering prices, depending upon prevailing interest rates, the market for similar notes, our performance and other factors

There are restrictions on your ability to transfer or resell the notes without registration under applicable securities laws.

The notes are being offered and sold in transactions exempt from, or not subject to, registration under the Securities Act and applicable state securities laws. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements (other than pursuant to Rule 144) of the Securities Act and applicable state securities laws. By purchasing the notes, you will be deemed to have made certain acknowledgements, representations and agreements as set forth under "Transfer Restrictions." We cannot assure you that any such exemption will be available to holders of the notes, and if any such exemption is not available, holders of the notes will not be able to transfer or resell their notes. See "Transfer Restrictions."

You may be required to sell, and the issuer will have the right to redeem, your notes if any gaming authority finds you unsuitable to hold them.

Gaming authorities have the authority generally to require that any beneficial owner of our securities, including the notes, file an application and be investigated for a finding of suitability. If a record or beneficial owner of a note is required by any gaming authority to be found suitable, such owner will be required to apply for a finding of suitability within 30 days after request of such gaming authority or within such other time prescribed by such gaming authority. The applicant for a finding of suitability must pay all costs of the investigation for such finding of suitability. If a record or beneficial owner is required to be found suitable and is not found suitable, such record or beneficial owner may be required to dispose of the notes, and the

issuer may have the right to redeem such notes. See "Description of the Notes — Gaming Disposition, Redemption and Other Matters."

We are not providing all of the information that would be required if this offering were being registered with the SEC.

This offering memorandum does not include all of the information that would be required if we were registering this offering of the notes with the SEC. Among other things, we have not included information regarding our executive compensation policies and practices. In addition, this offering memorandum does not include separate financial information for the guarantors of the notes that would be required under Rule 3-10 of Regulation S-X. This lack of information could impair your ability to evaluate your investment in the notes. We cannot assure you that our historical financial information as set forth in this offering memorandum will be indicative of our future financial performance or our ability to meet our obligations, including repayment of the notes.

Risks Relating to Gamesys' Business and the Gamesys Acquisition

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

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 Gamesys' products, Gamesys' business depends on its ability and the ability of its third-party partners to consistently and timely launch new games across multiple platforms and devices that achieve significant popularity. The ability of Gamesys to successfully launch, sustain and expand games as applicable, largely will depend on its 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 Gamesys 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 Gamesys' and, following the Gamesys Acquisition, the Combined Group's prospects, revenues, operating results and financial condition.

Furthermore, more individuals are using non-PC/laptop devices to access the internet and versions of Gamesys' 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 Gamesys is unable to attract and retain a substantial number of alternative device users to its gambling services or if Gamesys is slow to develop products and technologies that are more compatible with non-PC/laptop communications devices relative to its competitors, Gamesys 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, Gamesys must extend the life of the existing games which they 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, Gamesys must constantly enhance, expand or upgrade the relevant game with new features that players find attractive. There is a risk that they may not be successful in enhancing, expanding or upgrading its current games or any new games in the future and in addition regulators may introduce new rules that limit functionality within existing games. Should Gamesys not succeed in sufficiently offsetting the effects of declining popularity in the games they make available, this may have a material adverse effect following the Gamesys Acquisition on the Combined Group's business, prospects, revenues, operating results and financial condition.

We and Gamesys operate and, following the Gamesys Acquisition, the Combined Group will operate in a highly competitive environment.

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, Gamesys' and, following the Gamesys Acquisition, the Combined Group's 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, Gamesys' and, following the Gamesys Acquisition, the Combined Group's 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, Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

The profitability of Gamesys will be dependent on return to players.

The revenue from certain of Gamesys' 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 Gamesys is unable to set, or fails to obtain, a favorable return to player in their (or a third party supplier's) gambling software which maximizes revenue, it could have a material adverse effect on Gamesys' business, prospects, revenues, operating results and financial condition.

Gamesys or certain third parties that they 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.

Online gambling operators licensed in the United Kingdom (the "UK") and other jurisdictions are obliged to establish and maintain compliant anti-money laundering ("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 and the suspension or revocation of gambling licenses.

In recent years the British gambling regulator, the Great Britain Gambling Commission (the "GBGC"), has repeatedly stated that the UK facing online gambling industry needed to take greater steps to implement effective AML and safer gambling policies and procedures. By way of example, in January 2018 the GBGC sent a letter to operators in the UK's online casino sector indicating that the GBGC had identified significant concerns about the effectiveness of the online casino sector's management and mitigation of AML and safer gambling risks. The GBGC indicated that it had already started investigations into 17 remote operators and was considering whether to undertake a licence review of five operators with a view to exercising the GBGC's regulatory powers. The GBGC re-emphasised its focus in this compliance area and the risk of license revocations in its Enforcement report 2018/2019. The GBGC has imposed financial penalties or regulatory settlements in lieu of a penalty on a number of different operators for failing to apply effective AML and/or safer gambling policies and procedures, including Gamesys.

In addition, there is a risk that increased safer gambling and AML regulatory measures in the UK will prove to be challenging for Gamesys. For example, Gamesys' highest value customers may be unwilling to provide the additional detail required by Gamesys in the UK to ascertain their sources of wealth, the affordability of their leisure spend with Gamesys or their risk of gambling related harm or vulnerability,

and to continue to verify these. The GBGC is also consulting on tougher rules for online gambling operators for identifying and tackling gambling harm, including customer affordability, for all UK customers. The GBGC may impose requirements for a gambling business to act on information they have about a customer's vulnerability and to assess whether a customer's gambling is affordable at thresholds which will be set by the GBGC. The imposition of such requirements will impact significantly Gamesys' business as Gamesys may be unable to establish the affordability of customers on the basis of the available evidence and/or because customers are unwilling to provide the information requested.

The failure by any third-party providers or, following the Gamesys Acquisition, 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 Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results, regulatory compliance and financial condition.

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

The provision of convenient, trusted, fast and effective payment processing services to Gamesys' customers and potential customers is critical to their 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 Gamesys or their customers or are terminated and no timely and comparable replacement services are found, Gamesys' customers and potential customers may be deterred from using Gamesys' products. In addition, Gamesys' inability to secure payment processing services in markets into which Gamesys intends to expand may seriously impair their growth opportunities and strategies. Any of these occurrences may have a material adverse effect on Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

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 Gamesys' abilities to accept payment from their 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 Gamesys that are attempted to be made by their customers. Should such restrictions and rejections become more prevalent, or any other restriction on payment processing be introduced, gambling activity by the Gamesys' customers could be adversely affected, which in turn could have a material adverse effect on Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

In addition, Gamesys is subject and, following the Gamesys Acquisition, the Combined Group will be 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. Revenue is recognized by Gamesys 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 Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

Gamesys' business is subject to a variety of U.S. and foreign laws, many of which are unsettled and still developing, and which could subject Gamesys to claims or otherwise harm Gamesys' 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 Gamesys' products and services, could adversely impact Gamesys' ability to operate its 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.

Gamesys is generally subject to laws and regulations relating to iGaming in the jurisdictions in which it conducts 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 Gamesys' 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 Gamesys' results of operations.

Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on Gamesys' operations and financial results. Governmental authorities could view Gamesys as having violated local laws, despite Gamesys' 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 Gamesys, Internet service providers, credit card and other payment processors iGaming industries. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon Gamesys' licensees or other business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on Gamesys' business, financial condition, results of operations and prospects, as well as impact Gamesys' reputation.

There can be no assurance that legally enforceable legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to Gamesys' 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 Gamesys' and, following the Gamesys Acquisition, the Combined Group's 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.

Gamesys' growth prospects depend on the legal status of real-money gaming in various jurisdictions and legalization may not occur in as many jurisdictions as Gamesys' expect, or may occur at a slower pace than Gamesys anticipates. 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 Gamesys anticipates, which could adversely affect Gamesys' 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 Gamesys' business, financial condition, results of operations and business prospects are significantly dependent upon the status of legalization in these jurisdictions. Gamesys' 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 or federal governments enact real money gaming legislation and Gamesys is unable to obtain, or is otherwise delayed in obtaining, the necessary licenses to operate iGaming websites in U.S. jurisdictions where such games are legalized, Gamesys' future growth in iGaming could be materially impaired.

As Gamesys enters new jurisdictions, states or the federal government may legalize real money gaming in a manner that is unfavorable to it. As a result, Gamesys 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 it 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 their 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.

Gamesys derives meaningful revenues from players located in jurisdictions in which it does 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 Gamesys' products are made available to players in unregulated jurisdictions. 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. Gamesys or its commercial partners hold point-of-supply licenses in Malta and Gibraltar. As such, 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 Gamesys, 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 into 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 has been a focus of Gamesys' Asian business segment and has yet to introduce its own licensing regime applicable to Gamesys' business.

There is a risk that such jurisdictions may enact regulations relating to online real money gaming and that Gamesys may be required to register its 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 Gamesys' revenue, operations, business or financial performance. Where Gamesys or its 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, Gamesys or its 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 Gamesys' regulators regulate Gamesys in the jurisdictions in which Gamesys holds a license and, following the Gamesys Acquisition, the Combined Group's subsidiaries that depend on such licenses.

Certain of Gamesys' 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 Gamesys derives revenue from, or makes such Infrastructure Services available to customers in, unregulated jurisdictions. There is no assurance that Gamesys 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 Gamesys or providers of its Infrastructure Services in unregulated markets. 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 Gamesys or its business partners, and may divert the attention of key executives of Gamesys. If Gamesys becomes 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 Gamesys operates and/or holds a license. Such investigations, proceedings, and/or penalties could have a material adverse effect on Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition, as well as its reputation.

Following the Gamesys Acquisition, the Combined Group will be 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. Gamesys' policy is, where possible, to allow its entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Gamesys' 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 Gamesys. Apart from these particular cash flows, the Gamesys aims 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 its 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 are from the UK market and are conducted in GBP and are therefore susceptible to any movements in exchange rates between GBP and USD. Any exchange rate risk may materially adversely affect Gamesys and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

Gamesys is reliant on the reliability and viability of the internet infrastructure, which is out of their control, and the proper functioning of their own network systems.

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

If critical issues concerning the commercial use of the 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 as a viable channel, this may negatively affect internet usage, and Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition will be materially adversely affected. Additionally, the increasing presence of viruses and cyber-attacks may affect the viability and infrastructure of the internet and/or the proper functioning of Gamesys' network systems and could materially adversely affect Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

The UK's withdrawal from the EU and the wider political climate may have a negative effect on global economic conditions, financial markets and Gamesys' business, prospects, revenues, operating results and financial condition.

Gamesys is a multinational group headquartered in London with worldwide operations, including material revenues derived from the UK and Europe. The UK formally left the European Union on January 31, 2020 ("Brexit") which has resulted, and 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 led to volatility in the value of GBP, which may affect the profitability of Gamesys. These developments and the prevailing uncertainty relating to these developments, have had and may continue to have a material adverse effect on global economic conditions, and economic conditions in the UK in particular, and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility.

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 Gamesys' access to capital and impact revenues. In particular, Brexit may lead to material changes to the regulatory regimes that would be applicable to Gamesys' operations in the UK in the future. This could increase compliance and operating costs for Gamesys and, following the Gamesys Acquisition, for the Combined Group and have a material adverse effect on Gamesys and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

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 has tabled draft legislation to set 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 Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

Gamesys' activities affected by the General Data Protection Regulation ("GDPR").

Gamesys is required to comply with the GDPR to the extent that they either: (1) have customers located in the UK and the EU or (2) conduct the processing of personal data in the EU. The impact of the GDPR is of particular relevance to Gamesys' marketing activities and IT 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 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 4 per cent. of annual worldwide turnover. In certain instances, Gamesys could be held jointly responsible for breaches committed by the third-party service providers which they use or by other third parties with whom they 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. These procedures and policies may adversely affect Gamesys' business by constraining their data processing activities, or by increasing their 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 the data processing activities of Gamesys or any third-party service providers breach the GDPR (or associated e-privacy laws), then Gamesys 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 the business, prospects, revenues, operating results and financial condition of Gamesys and, following the Gamesys Acquisition, the Combined Group. There can be no assurances that Gamesys and, following the Gamesys Acquisition, the Combined Group would be able to recoup such losses, whether in whole or in part, from their third-party service providers or insurers.

Gamesys' substantial activities in foreign jurisdictions may be affected by factors outside of their control.

A significant portion of Gamesys' operations are conducted in non-U.S. jurisdictions. As such, the operations of Gamesys 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 their 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. Gamesys' operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. Accordingly, Gamesys' activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a material adverse effect on Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

In the event of a dispute arising in connection with operations in a foreign jurisdiction where Gamesys conducts business, Gamesys 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 or enforcing UK judgments in such other jurisdictions. Gamesys may also be hindered or prevented from enforcing their rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Gamesys and, following the Gamesys Acquisition, the Combined Group may enter into agreements and conduct activities outside of the jurisdictions in which they or we currently carry on business, which expansion may present challenges and risks as a result of the factors described above that they have not faced in the past, any of which could have a material adverse effect on Gamesys' and, following the Gamesys Acquisition, the Combined Group's business, prospects, revenues, operating results and financial condition.

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

Gamesys operates certain branded sites, including sites branded as Virgin Games, Heart Bingo and Monopoly Casino. All such branded sites operated by Gamesys are reliant on the use of highly trusted and recognizable brands which are owned by third parties (the "Third Party Brands"). Gamesys operates the Third Party Brands pursuant to brand licensing arrangements with the relevant third party brand owner (the "Brand Owner"). Gamesys is contractually required to operate the such branded sites in accordance with those brand licensing arrangements, and any material breach of those requirements may expose Gamesys to claims for breach of contract, and/or may lead to the Brand Owner terminating or failing to renew the brand licensing arrangements. Gamesys owns 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 Gamesys would seek to migrate those players to a different gaming site operated by it. However, there is a risk that any replacement branded site offered by Gamesys may not successfully retain the custom of those players, and in the event that Gamesys or, following the Gamesys Acquisition, the Combined Group loses the right to use any of the Third Party Brands its business, financial condition, results of operations and/or prospects may be materially adversely affected.

Gamesys is and, following the Gamesys Acquisition, the Combined Group will be exposed to the risk that the reputation of the Third Party Brands may be adversely affected by the activities of third parties over whom it has no control. For example, Gamesys operates and, following the Gamesys Acquisition, the Combined Group will 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 the business prospects of Gamesys and, following the Gamesys Acquisition, the Combined Group.

In certain circumstances, we may not be able to invoke the transaction conditions and terminate the Gamesys Acquisition, which could materially adversely affect our business.

The Takeover Code provides that certain conditions may only be invoked where the circumstances underlying the failure of the condition are of material significance to us in the context of the Gamesys Acquisition. Therefore, with the exceptions of certain antitrust conditions and certain other conditions, we may be required to obtain agreement of the Takeover Panel (which might or might not occur) that the circumstances giving rise to the right to invoke the condition were of material significance to us in the context of the Gamesys Acquisition before we would be permitted to rely on that condition.

If a material adverse change affecting Gamesys occurs and the Takeover Panel does not allow us to invoke a condition to cause the Gamesys Acquisition not to proceed, our business or financial condition may be materially adversely affected. As a result, our business or financial condition may be adversely affected after the Gamesys Acquisition.

Risks Relating to the Escrow Arrangements

In the event that the Escrow Release Condition is not satisfied on or prior to the Termination Date, each series of notes will be subject to Special Mandatory Redemption Event, and, as a result, you may not obtain the return you expect on the notes.

This offering will be consummated prior to the satisfaction of the Escrow Release Condition. On the Issue Date, the Escrow Issuers will have entered into the Escrow Agreements, pursuant to which, the Escrow Issuers will have deposited, or cause to be deposited, the Escrowed Property into the Escrow Accounts.

If (i) the Escrow Release Condition has not been satisfied on or prior to the Termination Date or (ii) the Escrow Issuers and the Financial Adviser notify the Escrow Agent and the Trustee in writing that the Escrow Release Condition will not be satisfied on or prior to the Termination Date (each a "Special Mandatory Redemption Event"), then the Escrow Agent, upon receipt of a notice from the Trustee, in accordance with the Escrow Agreements notifying the Escrow Agent, among others, of the Special Mandatory Redemption Event and one (1) business day after the applicable Termination Date, shall liquidate and release the Escrowed Property (including investment earnings thereon and proceeds thereof, if any) to the Trustee and the Trustee shall apply (or cause a paying agent to apply) the amounts in the immediately preceding clause to redeem the applicable series of notes (the "Special Mandatory Redemption") on the fifth (5th) business day following the Special Mandatory Redemption Event (such date, the "Special Mandatory Redemption Date") or as otherwise required by the applicable procedures of DTC, at a price (the "Special Mandatory Redemption Price"), equal to 100% of the initial issue price of the notes, plus accrued and unpaid interest from the Issue Date on the notes to, but excluding, the Special Mandatory Redemption Date. On the Special Mandatory Redemption Date, the Escrow Agent will release to the Escrow Issuers any Escrowed Property in excess of the amounts necessary to effect the Special Mandatory Redemption for each series of notes.

Upon the Special Mandatory Redemption, you may not be able to reinvest the proceeds from such redemption in an investment that yields a comparable return. In addition, if you purchase the notes at a price greater than the initial issue price of the notes (or with a lower yield than such series of notes), you may suffer a loss on your investment.

Although we currently believe that the Escrow Release Condition will be satisfied on or prior to the Termination Date, we cannot assure you that the condition will be satisfied, that we will in fact close the transactions underlying the Escrow Release Condition, including the Gamesys Acquisition, on substantially the terms described in this offering memorandum, or that we will not otherwise have to redeem either series of Notes. See "Description of the Notes — Escrow of Proceeds; Escrow Release Condition."

Alternatively, if the Escrow Release Condition is satisfied prior to the Termination Date, the funds will be released and utilized as described in "Use of Proceeds" in accordance with the mechanics set forth in the Escrow Agreements.

Until the satisfaction of the Escrow Release Condition, the Escrow Issuers will have limited assets and the notes will not be guaranteed by any other person.

Holders of the notes will not have any recourse to Bally's or any of its subsidiaries (other than the Escrow Issuers) prior to the satisfaction of the Escrow Release Condition and the Assumption. Until the satisfaction of the Escrow Release Condition and the Assumption, the notes will be the obligations solely of the Escrow Issuers, and the notes will not be guaranteed by any other person. The Escrow Issuers will not have any assets available to be applied to the notes until the satisfaction of the Escrow Release Condition and the Assumption and, as a result, there is limited recourse for the holders of the notes prior to the satisfaction of the Escrow Release Condition and the Assumption.

The closing of this offering and the funding of the proceeds therefrom into the Escrow Accounts will occur prior to the receipt of any required foreign direct investment, gaming, antitrust or other regulatory approvals for consummation of the Gamesys Acquisition, and thus Bally's may be required to comply with divestitures, including selling certain properties, conditions, terms, obligations or restrictions imposed by such regulatory entities following the consummation of this offering.

In order to consummate the Gamesys Acquisition and receive the required regulatory approvals, Bally's may be required to comply with divestitures, including selling certain properties, conditions, terms, obligations or restrictions imposed by regulatory entities, and such conditions, terms, obligations or restrictions may have the effect of delaying consummation of the Gamesys Acquisition, imposing additional material costs on or materially limiting the revenue of the combined company after the consummation of the Gamesys Acquisition, or otherwise reducing the anticipated benefits to Bally's of the Gamesys Acquisition. The closing of this offering and the funding of the proceeds therefrom into the Escrow Accounts may take place before all governmental or regulatory approvals have been obtained and, in cases where such approvals have not been obtained, before the terms of any conditions or requirements to obtain such approvals that may be imposed are known, and, therefore, before it is known whether any such conditions, terms, obligations, requirements or restrictions will or will not impact or alter the terms or closing of this offering of the notes or the provisions of the escrow arrangement. As a result, following the closing of this offering and prior to the satisfaction of the Escrow Release Condition, Bally's may make decisions be required to waive a condition or approve certain actions required to obtain necessary approvals without seeking further noteholder approval. Such actions could have an adverse effect on the combined company's business, financial condition and results of operations following the Gamesys Acquisition.

Between the time of the issuance of the notes and the satisfaction of the Escrow Release Condition, the parties to the transactions that are part of the Escrow Release Condition may agree to modify or waive the terms or conditions of such transactions without the consent of the holders of the notes.

Prior to the satisfaction of the Escrow Release Condition, the parties to the transactions that are part of the Escrow Release Condition may agree to amendments or waivers of the terms thereof so long as such changes are not materially adverse to the holders of the notes. Although the Escrow Agreements provide as a condition to the release of the Escrowed Property that the Escrow Release Condition is satisfied substantially as described in this offering memorandum, that requirement will not preclude the parties from making certain changes to the terms of the transactions contemplated by the Escrow Release Condition or from waiving certain conditions to those transactions.

If, prior to the satisfaction of the Escrow Release Condition, the Escrow Issuers become subject to bankruptcy proceedings, the ability of the holders of the notes to realize upon the escrow funds will be subject to certain Bankruptcy Law limitations.

The ability of the Trustee and Escrow Agent to realize upon the Escrowed Property for the benefit of the holders of the notes will be subject to certain Bankruptcy Law limitations in the event of the bankruptcy of the Escrow Issuers prior to the satisfaction of the Escrow Release Condition. The Trustee, on behalf of

the holders of the notes, may be viewed as a secured creditor under federal bankruptcy law. Under federal bankruptcy law, secured creditors are prohibited from repossessing their security from a debtor in a bankruptcy case, or from disposing of security repossessed from such a debtor, without bankruptcy court approval, which may or may not be given or which could be delayed. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to use and expend collateral, including cash collateral, and to provide senior liens to secure indebtedness incurred after the commencement of a bankruptcy case, provided that the secured creditor either consents or is given "adequate protection." "Adequate protection" could include cash payments or the granting of additional security, if and at such times as the presiding court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition of the collateral during the pendency of the bankruptcy case, the use of collateral (including cash collateral) and the incurrence of such senior indebtedness. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when the Escrow Agent would be able to apply the escrow funds to the repayment of the notes, or whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the escrow funds through the requirements of "adequate protection." It is also possible that a court could permit the use or disposition of the Escrowed Property in exchange for a lien on other, less-liquid collateral, as adequate protection, which could delay any recovery thereon.

Furthermore, in the event the bankruptcy court determines that the value of the Escrowed Property is not sufficient to repay all amounts due on the notes, the indebtedness under the notes would be "undersecured" and the holders of the notes would have unsecured claims as to any deficiency. Federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys' fees on undersecured indebtedness during the debtor's bankruptcy case.

Due to currency fluctuations, the amount of the Escrowed Property may be insufficient to fund the Special Mandatory Redemption of the notes.

The gross proceeds from this offering will be deposited into the Escrow Accounts and will be an amount sufficient to fund the Special Mandatory Redemption of the notes to, but excluding, the Special Mandatory Redemption Date assuming that the Special Mandatory Redemption Date is June 30, 2022. A portion of the Escrowed Property will be held in GBP and is therefore susceptible to any movements in exchange rates between GBP and USD. Fluctuations in currency exchange rates between GBP and USD could result in the Escrowed Property being insufficient to fund the Special Mandatory Redemption of the notes. If we are unable to pay the entire Special Mandatory Redemption Price, it would constitute an event of default under the indenture that will govern the notes and could result in defaults under our other debt agreements and have material adverse consequences for us and the holders of the notes.

USE OF PROCEEDS

Concurrently with the closing of this offering, we will deposit into escrow the gross proceeds of this offering of notes into the Escrow Accounts.

We intend to use proceeds from this offering of the Notes, together with the proceeds from the New Term Loan Facility, the Equity Offerings and cash on hand, (i) to (a) pay the cash portion of the purchase price of the Gamesys Acquisition and retire Gamesys' existing indebtedness, (b) pay in full all amounts and terminate all commitments under our Existing Term Loan Facility, (c) repay outstanding revolving borrowings under our Existing Revolving Credit Facility, (d) redeem in full all of our Existing 2027 Notes; (ii) to pay fees and expenses related to the foregoing; and (iii) for general corporate purposes, which could include, in addition to funding operations, acquisitions and other transactions.

The Existing 2027 Notes mature on June 1, 2027 and bear interest at a rate of 6.750%. The Existing Term Loan Facility matures on May 10, 2026. As of March 31, 2021, the interest rate for the Existing Term Loan Facility was 2.95%. The Existing Revolving Credit Facility matures on May 10, 2024.

Certain of the initial purchasers or their respective affiliates have acted as our financial advisors in connection with the Gamesys Acquisition and they are agents, arrangers, bookrunners or lenders under the Bridge Commitment to fund a portion of the Gamesys Acquisition. A portion of the proceeds from this offering will be used to reduce the Bridge Commitment, and to pay the fees, costs and expenses incurred in connection thereto. As a result, certain of the initial purchasers or their respective affiliates may benefit from the application of a portion of the net proceeds from this offering to reduce the Bridge Commitment. In addition, certain of the initial purchasers or their respective affiliates are agents, arrangers, bookrunners or lenders, as applicable, under the Existing Term Loan Facility and the Existing 2027 Notes. A portion of the proceeds from this offering will be used to refinance the Existing Term Loan Facility and the Existing 2027 Notes, and to pay accrued interest, fees and premiums thereon and the fees, costs and expenses incurred in connection thereto. As a result, certain of the initial purchasers or their respective affiliates may benefit from the application of a portion of the net proceeds from this offering to refinance the Existing Term Loan Facility and the Existing 2027 Notes. See "Plan of Distribution — Other Relationships."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2021:

- on an actual basis;
- on an as adjusted bases to give effect to this offering; and
- on a pro forma basis to give effect to this offering and the Gamesys Acquisition, collectively, the "Transactions," on a basis consistent with the Unaudited Pro Forma Condensed Combined Financial Information set forth herein.

The information in the table below should be read in conjunction with "Unaudited Pro Forma Condensed Combined Financial Information" "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and accompanying notes incorporated by reference in this offering memorandum.

(In millions)	Actual	As Adjusted for this Offering	As Further Adjusted for the Transactions
Cash and cash equivalents[(1)]	$ 151.7	$3,530.9	$ 552.7
Debt:			
Current portion of long-term debt	5.8	25.2	19.5
Long-term debt, net of current portion[(2)]	1,128.6	4,488.4	3,359.8
Total Debt	$1,134.3	$4,513.6	$3,379.2
Total shareholders' equity	$ 454.7	$ 454.7	$1,650.9
Total Capitalization	$1,589.0	$4,968.3	$5,030.1

(1) Cash and cash equivalents may increase or decrease depending on, among other things, actual costs and expenses incurred in connection with the Transactions.

(2) Reflects the principal amount of the notes offered hereby.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information ("Unaudited Pro Forma Financial Information") included herein presents the unaudited pro forma condensed combined balance sheet ("Pro Forma Balance Sheet") and the unaudited pro forma condensed combined statements of operations ("Pro Forma Statements of Operations") based upon the historical financial statements of Bally's Corporation ("Bally's" or the "Corporation"), the Acquired Companies (as defined below) and Gamesys Group plc ("Gamesys"), after giving effect to the acquisitions of the Acquired Companies (specifically, the "2020 Acquisitions" and the "2021 Acquisitions" (as defined below)), and the Company's planned acquisition of Gamesys (the "Gamesys Acquisition"), the Gamesys Financing Transaction (as defined below) and the Equity Offerings (as defined below) (collectively, the "Transactions"), and the adjustments described in the accompanying notes.

The Pro Forma Statements of Operations for the three months ended March 31, 2021 and year ended December 31, 2020 give effect to the Transactions as if each of them had occurred on January 1, 2020. The Pro Forma Balance Sheet as of March 31, 2021 gives effect to the 2021 Acquisitions, the Gamesys Acquisition, the Gamesys Financing Transaction, and the Equity Offerings as if each of them had occurred on March 31, 2021.

The Unaudited Pro Forma Financial Information set out below have been prepared in accordance with Article 11 of Regulation S-X, as amended by the Securities and Exchange Commission ("SEC") Final Rule Release No. 33 10786, Amendments to Financial Disclosures About Acquired and Disposed Businesses using accounting policies in accordance with principles generally accepted in the United States of America ("U.S. GAAP").

The Unaudited Pro Forma Financial Information reflects transaction related adjustments management believes are necessary to present fairly Bally's Pro Forma Balance Sheet and Pro Forma Statements of Operations.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the Company's actual financial position or results following the Transactions. The Unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes below and has been prepared in a manner consistent with the accounting policies applied by the Company in its historical financial statements for the three months ended March 31, 2021 and the year ended December 31, 2020. In preparing the Unaudited Pro Forma Financial Information, no adjustments have been made to reflect the potential operating synergies and administrative cost savings or the costs of integration activities that could result from the combination of Bally's, the Acquired Companies and Gamesys.

2020 Acquisitions

On July 1, 2020, the Company closed its acquisition of each of Casino KC and Casino Vicksburg from Caesars Entertainment, Inc., formerly Eldorado Resorts, Inc. ("Caesars"), for an aggregate purchase price of $229.9 million in cash, subject to customary post-closing adjustments pursuant to the terms of an Equity Purchase Agreement, dated July 10, 2019, among Bally's, Caesars and various of their affiliates. This acquisition was funded with available cash on hand at July 1, 2020 and from borrowings under the Company's existing debt agreements.

On December 23, 2020, the Company closed its acquisition of Eldorado Resort Casino Shreveport ("Shreveport") from Caesars for a purchase price of $137.2 million in cash, subject to customary post-closing adjustments pursuant to the terms of an Equity Purchase Agreement, dated April 24, 2020 (the "Shreveport/MontBleu Agreement"), among Bally's, Caesars and certain of their affiliates. This acquisition was funded with available cash on hand at December 23, 2020 and from borrowings under the Company's existing debt agreements.

The acquisitions of Casino KC, Casino Vicksburg, and Shreveport (together, the "2020 Acquired Companies") are being accounted for as business combinations using the acquisition method with Bally's as the accounting acquirer in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 805, *Business Combinations* ("ASC 805"). Under this method of accounting the respective

purchase prices for the 2020 Acquisitions will be allocated to the 2020 Acquired Companies' assets acquired and liabilities assumed based upon their estimated fair values at the date of consummation of the relevant acquisition.

2021 Acquisitions

On April 6, 2021, the Company completed its acquisition of MontBleu from Caesars for a purchase price of $14.2 million in cash, payable one year from the closing date, subject to customary post-closing adjustments pursuant to the terms of the Shreveport/MontBleu Agreement. The Company notes that this acquisition will be funded with available cash on hand or available borrowings under the Company's existing debt agreements when due in April 2022.

On June 3, 2021, the Company completed its acquisition of the Tropicana Evansville casino operations ("Evansville") from Caesars for a total purchase price of $139.2 million in cash, subject to customary post-closing adjustments. As part of the transaction, an affiliate of Gaming & Leisure Properties, Inc. ("GLPI") acquired the real estate associated with the Tropicana Evansville casino for $340 million, which it is leasing to Bally's for $28 million per year, subject to escalation. GLPI also acquired the real estate associated with Bally's Dover Downs casino for $144 million, which it is leasing back to Bally's for $12 million per year, subject to escalation.

The acquisitions of MontBleu and Tropicana Evansville (together, the "2021 Acquired Companies", and together with the 2020 Acquired Companies, the "Acquired Companies"), are being accounted for as business combinations using the acquisition method with Bally's as the accounting acquirer in accordance with ASC 805. Under this method of accounting the respective purchase prices for the 2021 Acquisitions will be allocated to the 2021 Acquired Companies' assets acquired and liabilities assumed based upon their estimated fair values at the date of consummation of the relevant acquisitions.

Gamesys Acquisition

On April 13, 2021, the Company issued an announcement pursuant to Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers disclosing the terms of the Gamesys Acquisition pursuant to which Bally's would acquire the entire issued and to be issued ordinary share capital of Gamesys. Under the terms of the Gamesys Acquisition, Gamesys shareholders would be entitled to receive 1,850 pence in cash for each share of Gamesys or, under a share alternative, Gamesys shareholders would be able to elect to receive newly issued common shares of the Company in lieu of part or all of the cash consideration to which they would be entitled to elect to receive under the Gamesys Acquisition at an exchange ratio of 0.343 new Bally's common shares for each Gamesys share. Current shareholders holding an aggregate amount of 25.6% of Gamesys' shares have agreed to receive shares of Bally's stock in the Gamesys Acquisition, so the minimum number of shares to be issued, per agreement with certain shareholders, is 9,605,201 which is the number of shares assumed to be issued for purposes of this Unaudited Pro Forma Financial Information. An increase in the number of shares issued could materially impact the Unaudited Pro Forma Financial Information. The Gamesys Acquisition is expected to be accounted for as a business combination using the acquisition method with Bally's as the accounting acquirer in accordance with ASC 805. In arriving at the conclusion that Bally's is the accounting acquirer, the Company considered the structure of the transaction, relative outstanding share ownership, the composition of the combined company's Board of Directors, the relative size of Bally's and Gamesys, and the designation of certain senior management positions of the combined company.

Gamesys Financing Transaction

As part of the financing of the Gamesys Acquisition, two of the Company's unrestricted subsidiaries, as escrow issuers, are conducting a private placement of $1.5 billion in senior notes, consisting of two series of senior notes, $750 million of senior notes due 2029 and $750 million of senior notes due 2031 (collectively, the "notes"). Substantially concurrently with the consummation of this offering, the Company will obtain a commitment, subject to satisfaction of customary closing conditions, for the New Credit Facilities (defined below). Substantially concurrently with the closing date of the Gamesys Acquisition, (i) the Company is expected to assume the rights and obligations under the notes and enter into a new credit agreement, which will provide for a term loan facility in an aggregate principal amount of $1.945 billion

(the "New Term Loan Facility") and a revolving credit facility in an aggregate principal amount of up to $620 million (the "New Revolving Credit Facility" and together with the New Term Loan Facility, the "New Credit Facilities"), which is expected to be undrawn at closing of the Gamesys Acquisition.

After the closing of the Gamesys Acquisition and the release from escrow of the proceeds of this offering, the Company intends to use proceeds from this offering of the notes, together with proceeds of the New Term Loan Facility, the Equity Offerings, and cash on hand, (i) to (a) pay the cash portion of the purchase price of the Gamesys Acquisition and retire all outstanding Gamesys indebtedness, (b) pay in full all amounts outstanding (including all accrued and unpaid interest) and terminate all commitments under the Existing Term Loan Facility, (c) repay the outstanding revolving borrowings under the existing revolving credit facility, (d) redeem in full all of the existing 6.75% Senior Notes due 2027, together with all accrued interest, fees and premiums thereon; (ii) to pay fees and expenses related to the foregoing; and (iii) general corporate purposes, which could include, in addition to funding operations, acquisitions and other transactions.

The notes and the New Credit Facilities are collectively referred to as the "Gamesys Financing Transaction."

Equity Offerings

Common Stock Offering. On April 20, 2021, the Company announced the completion of its underwritten public offering of common stock (the "Common Stock Offering"). Bally's issued a total of 12.65 million shares of common stock in the offering, which included 1.65 million shares pursuant to the full exercise of the underwriters' over-allotment option. The Unaudited Pro Forma Financial Information reflects the public offering price in the Common Stock Offering of $55.00 per share. The Company received total net proceeds from the Common Stock Offering of approximately $671.4 million, net of estimated issuance costs of $24.4 million.

Unregistered Sales of Equity Securities. On April 20, 2021, the Company issued to affiliates of Sinclair Broadcast Group, Inc. ("Sinclair") a warrant (the "Warrant") to purchase 909,090 common shares for an aggregate purchase price of $50 million, the same price per share as the public offering price in the Common Stock Offering ($55.00 per share). 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.

The Common Stock Offering and the Unregistered Sales of Equity Securities are collectively referred to as the "Equity Offerings."

Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2021

(In thousands)	Bally's Historical (Note 2)	Pro forma adjustments: 2021 Acquisitions pre-acquisition results and reclassifications (Note 5)	Pro forma adjustments: 2021 Acquisitions Adjustments (Note 6)		Gamesys (US GAAP) (Note 7)	Pro forma adjustments: Gamesys Combination Adjustments (Note 8)		Pro forma adjustments: Gamesys Financing Transaction (Note 9)		Pro forma adjustments: Equity Offerings (Note 10)		Pro forma Combined Company
Assets												
Cash and cash equivalents	$ 151,653	$ 10,228	$ (9,349)	6(a)	$ 344,912	$(3,995,363)	8(a)	$3,379,215	9(a)	$671,399	10(a)	$ 552,695
Restricted cash	3,818	—	—		—	—		—		—		3,818
Players deposit	—	—	—		39,866	—		—		—		39,866
Accounts receivable, net	24,894	3,281	—		53,063	—		—		—		81,238
Inventory	10,784	1,001	—		—	—		—		—		11,785
Tax receivable	82,417	—	884	6(c)	—	4,962	8(b)	—		20,818	10(b)	109,081
Prepaid expenses and other current assets	52,543	1,983	—		687	—		—		—		55,213
Total current assets	326,109	16,493	(8,465)		438,528	(3,990,401)		3,379,215		692,217		853,696
Property and equipment, net	753,601	353,551	(425,453)	6(d)	12,647	—		—		—		694,346
Right of use assets, net	36,341	41,284	420,690	6(e)	29,144	—		—		—		527,459
Goodwill, net	289,729	9,316	(9,316)	6(f)	720,068	1,069,841	8(a)	—		—		2,079,638
Intangible assets, net	726,991	139,968	19,672	6(g)	534,483	1,068,482	8(c)	—		—		2,489,596
Deferred tax assets	—	—	—		17,871	—		—		—		17,871
Other assets	6,029	32,894	—		6,875	—		—		—		45,798
Total assets	$2,138,800	$593,506	$ (2,872)		$1,759,616	$(1,852,078)		$3,379,215		$692,217		$6,708,404
Liabilities and Shareholders' Equity												
Current portion of long-term debt	$ 5,750	$ —	$ —		$ —	$ (5,750)	8(f)	$ 19,450	9(b)	$ —		$ 19,450
Current portion of lease obligations	1,578	550	18,454	6(h)	8,111	—		—		—		28,693
Current portion of cross currency and interest rate swap payable	—	—	—		9,348	—		—		—		9,348
Accounts payable	23,732	1,380	—		17,596	—		—		—		42,708
Payable to players	—	—	—		39,866	—		—		—		39,866
Accrued liabilities	131,850	11,700	32,130	6(i)	154,929	26,119	8(d)	—		—		356,728
Total current liabilities	162,910	13,630	50,584		229,850	20,369		19,450		—		496,793
Long-term debt, net of current portion	1,128,599	—	—		676,352	(1,804,951)	8(f)	3,359,765	9(b)	—		3,359,765
Lease obligations, net of current portion	62,720	65,868	373,012	6(j)	22,408	—		—		—		524,008
Pension benefit obligations	8,941	—	—		—	—		—		—		8,941
Deferred tax liability	30,642	—	—		58,562	246,001	8(h)	—		—		335,205
Naming rights liabilities	219,867	—	—		—	—		—		—		219,867
Contingent consideration payable	55,543	—	—		—	—		—		—		55,543
Other long-term liabilities	14,881	15,321	—		27,219	—		—		—		57,421
Total liabilities	$1,684,103	$ 94,819	$ 423,596		$1,014,391	$(1,538,581)		$3,379,215		$ —		$5,057,543
Shareholders' equity												
Common stock	318	—	—		15,122	(15,026)	8(i)	—		106	10(c)	$ 520
Additional paid-in capital	434,457	389,308	(389,308)	6(k)	13,609	439,180	8(i)	—		745,644	10(d)	1,632,890
Treasury stock, at cost	(9)	—	—		—	—		—		—		(9)
Retained earnings	24,087	109,379	(37,160)	6(k)	371,719	(392,876)	8(i)	—		(53,533)	10(e)	21,616
Other Reserves	—	—	—		344,775	(344,775)	8(i)	—		—		—
Accumulated other comprehensive loss	(4,156)	—	—		—	—		—		—		(4,156)
Total shareholders' equity	454,697	498,687	(426,468)		745,225	(313,497)		—		692,217		1,650,861
Total liabilities and shareholders' equity	$2,138,800	$593,506	$ (2,872)		$1,759,616	$(1,852,078)		$3,379,215		$692,217		$6,708,404

See accompanying notes to the Unaudited Pro Forma Financial Information, which are an integral part of these statements.

Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2021

(In thousands, except for shares and share price)	Bally's Historical (Note 2)	2021 Acquisitions pre-acquisition results and reclassifications (Note 5)	Pro forma adjustments: 2021 Acquisitions Adjustments (Note 6)		Gamesys (US GAAP) (Note 7)	Gamesys Combination Adjustments (Note 8)		Gamesys Financing Transaction (Note 9)		Equity Offerings (Note 10)		Pro forma Combined Company
Revenues	$ 192,266	$41,549	$ —		$272,800	$ —		$ —		$ —		$ 506,615
Operating costs and expenses												
Gaming, racing, hotel, food and beverage, retail, entertainment and other	66,409	16,151	—		148,536	—		—		—		231,096
Advertising, general and administrative	83,339	8,447	11,740	6(l)	48,409	—		—		—		151,935
Goodwill and asset impairment	—	—	—		—	—		—		—		—
Expansion and pre-opening	603	—	—		—	—		—		—		603
Acquisition, integration and restructuring expense	9,418	—	—		3,724	(2,483)	8(d)	—		—		10,659
Storm related losses, net of insurance recoveries	(10,676)	—	—		—	—		—		—		(10,676)
Rebranding	913	—	—		—	—		—		—		913
Depreciation and amortization	12,786	4,193	(3,341)	6(n),(o)	31,997	11,154	8(e)	—		—		56,789
Foreign Exchange Gain/Loss	—	—	—		(5,793)	—		—		—		(5,793)
Total operating costs and expenses	162,792	28,791	8,399		226,873	8,671		—		—		435,526
Income (loss) from operations	29,474	12,758	(8,399)		45,927	(8,671)		—		—		71,089
Other income (expense)												
Interest income	524	2	—		138	—		—		—		664
Interest expense, net of amounts capitalized	(20,798)	—	—		(7,034)	27,832	8(f)	(40,820)	9(c)	—		(40,820)
Change in value of naming rights liabilities	(27,406)	—	—		—	—		—		—		(27,406)
Gain on bargain purchases	—	—	—		—	—		—		—		—
Other, net	2,671	—	—		—	—		—		—		2,671
Total other expense	(45,009)	2	—		(6,896)	27,832		(40,820)		—		(64,891)
Income (loss) before provision for income taxes	(15,535)	12,760	(8,399)		39,031	19,161		(40,820)		—		6,198
Provision (Benefit) for income taxes	(4,830)	—	(2,352)	6(q)	6,206	3,641	8(g)	(11,430)	9(d)	—		(8,765)
Net income (loss)	$ (10,705)	$12,760	$ (6,047)		$ 32,825	$ 15,520		$(29,390)		$ —		$ 14,963
Earnings per share (Note 11):												
Basic	$ (0.30)											$ 0.25
Diluted	$ (0.30)											$ 0.25
Weighted average shares outstanding (Note 11)												
Basic	35,826,924					9,605,201	11(a)			13,559,090	11(a)	58,991,215
Diluted	36,703,709					9,605,201	11(a)			13,559,090	11(a)	59,867,999

See accompanying notes to the Unaudited Pro Forma Financial Information, which are an integral part of these statements.

Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2020

(In thousands, except for shares and share price)	Bally's Historical (Note 2)	Pro forma adjustments: 2020 Acquisitions pre-acquisition results and reclassifications (Note 3) (a)	2020 Acquisitions Adjustments (Note 4)		2021 Acquisitions pre-acquisition results and reclassifications (Note 5)	2021 Acquisitions Adjustments (Note 6)		Gamesys (US GAAP) (Note 7)	Gamesys Combination Adjustments (Note 8)		Gamesys Financing Transaction (Note 9)		Equity Offerings (Note 10)		Pro forma Combined Company
Revenues	$ 372,792	$92,893	$ —		$129,286	$ —		$934,398	$ —		$ —		$ —		$ 1,529,369
Operating costs and expenses															
Gaming, racing, hotel, food and beverage, retail, entertainment and other	138,669	43,092	—		54,043	—		513,489	—		—		—		749,293
Advertising, general and administrative	176,943	29,176	(53)	4(a)	37,140	46,961	6(l)	170,778	—		—		—		460,945
Goodwill and asset impairment	8,659	—	—		—	—		—	—		—		—		8,659
Expansion and pre-opening	921	—	—		—	—		—	—		—		—		921
Acquisition, integration and restructuring expense	13,257	—	—		—	3,160	6(m)	4,751	26,708	8(d)	—		74,351	10(f)	122,227
Storm related losses, net of insurance recoveries	14,095	—	—		—	—		—	—		—		—		14,095
Rebranding	792	—	—		—	—		—	—		—		—		792
Depreciation and amortization	37,842	9,817	(314)	4(b),(c)	18,318	(14,396)	6(n),(o)	121,599	50,532	8(e)	—		—		223,398
Foreign Exchange Gain/Loss	—	—	—		—	—		5,393	—		—				5,393
Total operating costs and expenses	391,178	82,085	(367)		109,501	35,725		816,010	77,240		—		74,351		1,585,723
Income (loss) from operations	(18,386)	10,808	367		19,785	(35,725)		118,388	(77,240)		—		(74,351)		(56,354)
Other income (expense)															
Interest income	612	—	—		—	—		642	—		—		—		1,254
Interest expense, net of amounts capitalized	(63,248)	(6,167)	(498)	4(d)	(29,283)	—		(30,817)	94,065	8(f)	(163,048)	9(c)	—		(198,996)
Change in value of naming rights liabilities	(57,660)	—	—		—	—		—	—		—		—		(57,660)
Gain on sale of PP&E	—	—	—		—	53,425	6(p)	—	—		—		—		53,425
Gain on bargain purchases	63,871	—	—		—	50,039	6(b)	—	—		—		—		113,910
Total other expense	(56,425)	(6,167)	(498)		(29,283)	103,464		(30,175)	94,065		(163,048)		—		(88,067)
Income (loss) before provision for income taxes	(74,811)	4,641	(131)		(9,498)	67,739		88,213	16,825		(163,048)		(74,351)		(144,421)
Provision (Benefit) for income taxes	(69,324)	322	(37)	4(e)	—	18,967	6(q)	1,926	3,197	8(g)	(45,654)	9(d)	(20,818)	10(b)	(111,421)
Net income (loss)	$ (5,487)	$ 4,319	$ (94)		$ (9,498)	$ 48,772		$ 86,287	$ 13,628		$(117,394)		$ (53,533)		$ (33,000)
Earnings per share (Note 11):															
Basic	$ (0.18)														$ (0.61)
Diluted	$ (0.18)														$ (0.61)
Weighted average shares outstanding (Note 11)															
Basic	31,315,151								9,605,201	11(a)			13,559,090	11(a)	54,479,442
Diluted	31,315,151								9,605,201	11(a)			13,559,090	11(a)	54,479,442

(a) Includes pre-acquisition results for (1) Casino KC and Casino Vicksburg for the period from January 1, 2020 through June 30, 2020 and (2) Shreveport for the period from January 1, 2020 through December 22, 2020. See Note 3 for reclassification adjustments made to conform the 2020 Acquisitions to the presentation used by Bally's.

See accompanying notes to the Unaudited Pro Forma Financial Information, which are an integral part of these statements.

Notes to the Unaudited Pro Forma Condensed Combined Financial Information

Note 1 — Description of Transaction and Basis of Presentation

The Unaudited Pro Forma Financial Information has been prepared based on U.S. GAAP and pursuant to the rules and regulations of Securities and Exchange Commission's ("SEC") Regulation S-X and presents the Pro Forma Balance Sheet and Pro Forma Statements of Operations of the combined companies based upon the historical financial information of Bally's, the Acquired Companies and Gamesys, after giving effect to the following transactions:

- The 2020 Acquisitions;
- The 2021 Acquisitions;
- The Gamesys Acquisition;
- The Gamesys Financing Transaction; and
- The Equity Offerings.

The Unaudited Pro Forma Financial Information is not necessarily indicative of what Bally's consolidated statements of operations or consolidated balance sheet would have been had the Acquisitions been completed as of the dates indicated or will be for any future periods. The Unaudited Pro Forma Financial Information does not purport to project the future financial position or results of operations of Bally's following the Transactions. The Unaudited Pro Forma Financial Information reflects transaction related adjustments management believes are necessary to present fairly Bally's Pro Forma Balance Sheet and Pro Forma Statements of Operations assuming the Transactions (other than, in the case of Bally's Pro Forma Balance Sheet, the 2020 Acquisitions) had been consummated as of March 31, 2021 and January 1, 2020, respectively. The transaction related adjustments are based on currently available information and assumptions management believes are, under the circumstances and given the information available at this time, reasonable, and reflective of adjustments necessary to report Bally's financial condition and results of operations as a result of the closing of the Transactions. All dollar amounts are presented in thousands, unless otherwise noted.

Bally's has concluded that the Gamesys Acquisition represents a business combination pursuant to ASC 805. As of the date of this filing, the calculations necessary to estimate the fair values of the assets acquired and liabilities assumed have been performed based on publicly available benchmarking information as well as a variety of other assumptions, including market participant assumptions for the Gamesys Acquisition. The Company will continue to refine its identification and valuation of assets acquired and the liabilities assumed as further information becomes available. Using the total consideration for the transactions, Bally's has preliminarily allocated the purchase price to such assets and liabilities as of March 31, 2021. The preliminary purchase price allocation has been used to prepare pro forma adjustments in the Unaudited Pro Forma Financial Information. The final purchase price allocation will be determined when Bally's has completed the Gamesys acquisition. The final purchase price allocation could differ materially from the preliminary purchase price allocation. The final purchase price allocation may include changes in the allocation to intangible assets and goodwill based on the results of certain valuations and other studies that have yet to be completed and other changes to assets and liabilities.

The Unaudited Pro Forma Financial Information has been compiled in a manner consistent with the accounting policies adopted by Bally's and reflect certain adjustments to the Acquired Companies' and Gamesys' historical financial information to conform to the accounting policies of Bally's based on a preliminary review of the Acquired Companies' and Gamesys accounting policies.

The pro forma adjustments are based on preliminary estimates and currently available information and assumptions that Bally's management believes are reasonable. The notes to the Unaudited Pro Forma Financial Information describe how such adjustments were derived and presented in the Pro Forma Balance Sheet and Pro Forma Statements of Operations. Changes in facts and circumstances or discovery of new information may result in revised estimates. As a result, there may be material adjustments to the Unaudited Pro Forma Financial Information. Certain historical financial statement caption amounts for Gamesys

and the Acquired Companies have been reclassified or combined to conform to Bally's presentation and disclosure requirements.

The Unaudited Pro Forma Financial Information should be read in conjunction with the audited consolidated financial statements and related notes of Bally's, Gamesys and the Acquired Companies as of and for the year ended December 31, 2020 and the unaudited interim consolidated financial statements of Bally's and the 2021 Acquired Companies as of and for the three months ended March 31, 2021.

Note 2 — Bally's historical financial statements

The results of Bally's for the year ended December 31, 2020 have been extracted from the audited consolidated financial statements of Bally's, as set out in Bally's Annual Report on Form 10-K for the fiscal year ended December 31, 2020. The results and net assets of Bally's as of and for the three months ended March 31, 2021 have been extracted from the unaudited consolidated financial statements of Bally's, as set out in Bally's Interim Report on Form 10-Q for the three months ended March 31, 2021.

Note 3 — 2020 Acquisitions pre-acquisition results and reclassifications

Certain reclassifications were directly applied to the pre-acquisition historical financial statements of the 2020 Acquired Companies to conform to the financial statement presentation of Bally's.

Reclassifications in the Pro Forma Statement of Operations for the year ended December 31, 2020 are as follows:

(In thousands)	Casino KC and Casino Vicksburg Before Reclassification Note (a)	Shreveport Before Reclassification Note (b)	Reclassifications	Notes	Completed Acquisitions After Reclassifications
Revenues	$25,130	$67,763	$ —		$92,893
	—				
Operating costs and expenses					
Gaming, racing, hotel, food and beverage, retail, entertainment and other	10,493	34,974	(2,375)	(c)	43,092
Marketing & promotions	1,144	2,248	(3,392)	(c)	—
Advertising, general and administrative	9,068	11,765	8,343	(c)	29,176
Management Fee	514	2,062	(2,576)	(c)	—
Depreciation and amortization	2,913	6,904	—		9,817
Total operating costs and expenses	24,132	57,953	—		82,085
Income from operations	998	9,810	—		10,808
Other income (expense)					
Interest expense, net of amounts capitalized	(1,730)	(4,437)	—		(6,167)
Total other expense	(1,730)	(4,437)	—		(6,167)
Income (loss) before provision for income taxes	(732)	5,373	—		4,641
Provision for income taxes	322	—	—		322
Net income (loss)	$ (1,054)	$ 5,373	$ —		$ 4,319

(a) The results of Casino KC and Casino Vicksburg for the period from January 1, 2020 through June 30, 2020 have been extracted from the audited combined financial statements of Casino KC and Casino Vicksburg, as set out in Bally's Current Report on Form 8-K filed with the SEC on February 3, 2021.

(b) The results of Shreveport for the period from January 1, 2020 through December 22, 2020 have been extracted from the audited consolidated financial statements of Shreveport, as set out in Bally's Current Report on Form 8-K filed with the SEC on February 12, 2021.

(c) Represents the reclassification of balances in "Gaming, racing, hotel, food and beverage, retail, entertainment and other" ($2,375), "Marketing & promotions" ($3,392), and "Management Fee" ($2,576) to Advertising, general and administrative expenses.

Note 4 — 2020 Acquisitions adjustments

The pro forma adjustments are based on preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the Pro Forma Statement of Operations for the year ended December 31, 2020:

4(a) Represents a $53 decrease in lease expense related to changes in the fair value of right of use asset and lease liabilities of the Acquired Companies.

4(b) Represents decrease in depreciation expense related to acquired property and equipment resulting from the fair value adjustment of assets acquired in the 2020 Acquisitions. Bally's estimated that the fair value of property and equipment was greater than Shreveport's book value by $45.9 million and less than Casino KC and Casino Vicksburg's book value by $8.0 million. Therefore, depreciation expense decreased by a total of $0.4 million on a combined basis for the year ended December 31, 2020 using the straight-line method of depreciation. The estimated remaining useful lives of acquired property and equipment from the 2020 Acquisitions ranged from 2 years to 40 years:

(In thousands)	Fair Value	Weighted Average Useful Life (Years)	Depreciation Method	Year ended December 31, 2020
Land improvements	$ 6,100	10	Straight Line	$ 428
Buildings and improvements	114,419	37	Straight Line	2,676
Furniture, fixtures and equipment	26,374	6	Straight Line	4,101
Vessels and automobiles	26,751	12	Straight Line	2,191
Total depreciation expense				9,396
Less: historical depreciation expense				(9,765)
Total Pro forma Adjustment				**$ (369)**

4(c) Represents the amortization of intangible assets related to the 2020 Acquisitions over a three- to ten-year period as if the 2020 Acquisitions occurred on January 1, 2020. The estimated useful lives were determined based on a review of the time period over which economic benefit is expected to be generated as well as additional factors. Factors considered include contractual life, the period over which a majority of cash flow is expected to be generated, and management's expectations based on historical experience with similar assets:

(In thousands)	Fair Value	Weighted Average Useful Life (Years)	Amortization Method	Year ended December 31, 2020
Rated Player Relationships	$1,300	8	Straight Line	$107
Total acquired finite lived intangible assets	1,300			107
Less: historical intangible asset amortization expense				(52)
Total Pro forma Adjustment				**$ 55**

4(d) Represents the reversal of interest expense on intercompany loans recorded by Casino KC and Casino Vicksburg ($1,730) and Shreveport ($4,437). Additionally, represents the interest expense for borrowings that would have been needed to finance the $230 million purchase price of Casino KC and Casino

Vicksburg and the $140 million purchase price of Shreveport had each of the acquisitions closed on January 1, 2020. The adjustment to record interest expense assumes the additional borrowings for Casino KC, Casino Vicksburg, and Shreveport were obtained on January 1, 2020 for both transactions and was outstanding until the point the Company had financing in place to fund each acquisition.

For the Casino KC and Casino Vicksburg transaction, interest expense of $2,540 was calculated using a weighted average rate of 4.43% for the first three months of 2020 at which point the Company had financing in place to fund the acquisition.

Interest expense of $4,125 for the Shreveport transaction was calculated assuming the additional debt of $140 million was outstanding at a weighted average rate of 3.8% until October 2020 at which point the Company had financing in place to fund the acquisition:

(In thousands)	Casino KC and Casino Vicksburg	Shreveport	Total Pro Forma Adjustment
Elimination of historical interest expense	$(1,730)	$(4,437)	$(6,167)
Interest expense related to net borrowings	2,540	4,125	6,665
Pro forma adjustment to interest expense	$ 810	$ (312)	$ 498

4(e) Reflects the income tax effect of the 2020 Acquisitions adjustments, calculated using Bally's statutory tax rate of 28%. This rate may be subject to change and may not be reflective of Bally's effective tax rate for future periods after consummation of the Transactions.

Note 5 — 2021 Acquisitions pre-acquisition results and reclassifications

Certain reclassifications were directly applied to the pre-acquisition historical Balance Sheets of the 2021 Acquired Companies to conform to the financial statement presentation of Bally's, as follows:

(In thousands)	MontBleu Before Reclassifications March 31, 2021 Note (a)	Tropicana Evansville Before Reclassifications March 31, 2021 Note (b)	MontBleu Reclassifications	Tropicana Evansville Reclassifications	Note	2021 Acquisitions After Reclassifications March 31, 2021
Assets						
Cash and cash equivalents	$ 2,160	$ 8,068	$ —	$ —		$ 10,228
Restricted cash	—	—	—	—		—
Players deposit	—	—	—	—		—
Accounts receivable, net	1,696	1,585	—	—		3,281
Inventory	524	477	—	—		1,001
Tax receivable	—	—	—	—		—
Prepaid expenses and other current assets	994	989	—	—		1,983
Total current assets	5,374	11,119	—	—		16,493
Property and equipment, net	55,669	297,882	—	—		353,551
Right of use assets, net	—	—	41,284	—	(c)	41,284
Goodwill, net	5	9,311	—	—		9,316
Intangible assets, net	4,301	135,667	—	—		139,968
Deferred tax assets	—	—	—	—		—
Other assets	41,284	32,894	(41,284)	—	(c)	32,894
Total assets	$106,633	$486,873	$ —	$ —		$593,506
Liabilities and Shareholders' Equity						
Current portion of long-term debt	$ —	$ —	$ —	$ —		$ —
Current portion of lease obligations	—	—	550	—		550

(In thousands)	MontBleu Before Reclassifications March 31, 2021 Note (a)	Tropicana Evansville Before Reclassifications March 31, 2021 Note (b)	MontBleu Reclassifications	Tropicana Evansville Reclassifications	Note	2021 Acquisitions After Reclassifications March 31, 2021
Current portion of cross currency and interest rate swap payable	—	—	—	—		—
Accounts payable	496	884	—	—		1,380
Payable to players	—	—	—	—		—
Accrued liabilities	2,659	—	(550)	9,591	(d)	11,700
Accrued property, gaming and other taxes	—	—	—	—		—
Accrued payroll and related	—	—	—	—		—
Accrued income taxes payable	—	—	—	—		—
Intercompany debt	—	—	—	—		—
Other current liabilities	—	9,591	(9,591)	(d)		—
Total current liabilities	3,155	10,475	—	—		13,630
Long-term debt, net of current portion	—	—	—	—		
Lease obligations, net of current portion	—	—	65,868	—	(e)	65,868
Pension benefit obligations	—	—	—	—		—
Deferred tax liability	—	—	—	—		—
Naming rights liabilities	—	—	—	—		—
Deferred credits and other liabilities	65,868	15,321	(65,868)	(15,321)	(e)	—
Other long-term liabilities	—	—	—	15,321	(e)	15,321
Total liabilities	69,023	25,796	—	—		94,819
Commitments and contingencies						
Shareholders' equity:						
Net parent investment	37,610	461,077	—	—		498,687
Common stock	—	—	—	—		—
Additional paid-in capital	—		—	—		
Treasury stock, at cost	—	—	—	—		—
Retained earnings	—		—	—		
Other Reserves	—	—	—	—		—
Accumulated other comprehensive loss	—	—	—	—		—
Total shareholders' equity	37,610	461,077	—	—		498,687
Total liabilities and shareholders' equity	$106,633	$486,873	$ —	$ —		$593,506

(a) The balances of MontBleu for the three months ended March 31, 2021 have been extracted from the unaudited consolidated financial statements of MontBleu, as set out in this Current Report on Form 8-K.

(b) The balances of Tropicana Evansville for the three months ended March 31, 2021 have been extracted from the unaudited consolidated financial statements of Tropicana Evansville, as set out in this Current Report on Form 8-K.

(c) Reclassification of lease assets from Other Assets to Right of Use Assets, net.

(d) Reclassification of accrued liabilities and current lease liabilities from Other current liabilities to Accrued liabilities and Current portion of lease obligations, respectively.

(e) Reclassification of long-term lease liabilities and other long-term liabilities from Deferred credits and other liabilities to Lease obligations, net of current portion and Other long-term liabilities, respectively.

There were no reclassifications applied to the pre-acquisition historical Statements of Operations of the 2021 Acquired Companies. The pre-acquisition historical results for the three months ended March 31, 2021 and the year ended December 31, 2020 are as follows:

	Year Ended December 31, 2020		
(In thousands)	MontBleu Note (a)	Tropicana Evansville Note (b)	2021 Acquisitions
Revenues	$31,455	$ 97,831	$129,286
Operating costs and expenses			
Gaming, racing, hotel, food and beverage, retail, entertainment and other	13,819	40,224	54,043
Advertising, general and administrative	14,893	22,247	37,140
Depreciation and amortization	4,736	13,582	18,318
Total operating costs and expenses	33,448	76,053	109,501
Income from operations	(1,993)	21,778	19,785
Other income (expense)			
Interest expense, net of amounts capitalized	—	(29,283)	(29,283)
Total other expense	—	(29,283)	(29,283)
Loss before provision for income taxes	(1,993)	(7,505)	(9,498)
(Benefit) Provision for income taxes	—	—	—
Net loss	$ (1,993)	$ (7,505)	$ (9,498)

(a) The results of MontBleu for the year ended December 31, 2020 have been extracted from the audited consolidated financial statements of MontBleu, as set out in Bally's Current Report on Form 8-K filed with the SEC on March 16, 2021.

(b) The results of Tropicana Evansville for the year ended December 31, 2020 have been extracted from the audited consolidated financial statements of Tropicana Evansville, as set out in this Current Report on Form 8-K.

	Three-months ended March 31, 2021		
(In thousands)	MontBleu Note (a)	Tropicana Evansville Note (b)	2021 Acquisitions
Revenues	$10,559	$30,990	$41,549
Operating costs and expenses			
Gaming, racing, hotel, food and beverage, retail, entertainment and other	3,947	12,204	16,151
Advertising, general and administrative	3,179	5,268	8,447
Depreciation and amortization	1,063	3,130	4,193
Total operating costs and expenses	8,189	20,602	28,791
Income from operations	2,370	10,388	12,758
Other income (expense)			
Interest expense, net of amounts capitalized	—	2	2
Total other expense	—	2	2
Income before provision for income taxes	2,370	10,390	12,760
(Benefit) Provision for income taxes	—	—	—
Net income	$ 2,370	$10,390	$12,760

(a) The results of MontBleu for the three months ended March 31, 2021 have been extracted from the unaudited consolidated financial statements of MontBleu, as set out in this Current Report on Form 8-K.

(b) The results of Tropicana Evansville for the three months ended March 31, 2021 have been extracted from the unaudited consolidated financial statements of Tropicana Evansville, as set out in this Current Report on Form 8-K.

Note 6 — 2021 Acquisitions adjustments

Refer below for impacted line items and adjustments to the Unaudited Pro Forma Balance Sheet as of March 31, 2021:

6(a) Reflects the purchase price of $14.2 million and $139.2 million for the acquisitions of MontBleu and Tropicana Evansville, respectively, offset by $144.0 million of cash received for the sale of Bally's Dover Downs casino to GLPI.

6(b) Preliminary purchase consideration and purchase price allocation:

The acquisitions of MontBleu and Tropicana Evansville, which closed on April 6, 2021 and June 3, 2021, respectively, resulted in Bally's acquiring all of the outstanding equity securities of MontBleu and the casino operations of Tropicana Evansville for purchase prices of $14.2 million and $139.2 million, respectively, subject to certain customary post-closing adjustments.

Bally's has performed a preliminary valuation analysis of the fair market value of assets acquired and liabilities assumed related to the 2021 Acquisitions. The following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

	Fair value of assets acquired and liabilities assumed		
(In thousands)	**MontBleu**	**Tropicana Evansville**	**Total**
Purchase price	14,172	139,178	153,350
Assets acquired:			
Property and equipment, net	6,361	12,312	18,673
Right of use assets (a)	57,017	285,772	342,789
Intangible assets	5,430	154,210	159,640
All other assets	5,374	44,013	49,387
Liabilities assumed:			
Lease obligations (current portion)	(1,899)	(12,123)	(14,022)
Lease obligations	(51,028)	(273,649)	(324,677)
All other liabilities	(2,605)	(25,796)	(28,401)
Bargain purchase gain	**4,478**	**45,561**	**50,039**
Tax effect on bargain purchase gain	(1,254)	(12,757)	(14,011)
Net bargain purchase gain	**$ 3,224**	**$ 32,804**	**$ 36,028**

(a) Excludes right of use assets recognized in connection with Bally's lease of Dover Downs from GLPI.

Under the acquisition method of accounting, the total purchase price is allocated to the acquired tangible and intangible assets and assumed liabilities of MontBleu and Tropicana Evansville based on its estimated fair value as of the closing date.

6(c) Represents the tax effect on transaction costs accrued in connection with the Tropicana Evansville acquisition.

6(d) Represents a reduction of $334.9 million to reflect Property and equipment, net at fair value in connection with purchase accounting for the 2021 Acquisitions, as well as a reduction of Bally's Property and equipment, net of $90.6 million related to the sale of Bally's Dover Downs casino to GLPI.

6(e) Represents an increase of $15.7 million and $285.8 million to the MontBleu and Tropicana Evansville Right of use assets, net, respectively, to reflect the assets at fair value, as well as $119.2 million related to Bally's lease of Dover Downs from GLPI.

6(f) Represents the reversal of historical Goodwill, net recognized by MontBleu and Tropicana Evansville.

6(g) Represents the adjustment to Intangible assets, net to record at fair value in connection with purchase accounting for the 2021 Acquisitions.

6(h) Represents a $1.3 million and $12.1 million adjustment for MontBleu and Tropicana Evansville, respectively, to reflect the Current portion of lease obligations at the date of acquisition, and $5.0 million related to the sale-leaseback of the Bally's Dover Downs casino.

6(i) Represents the $12.7 million and $1.2 million tax effect on bargain purchase gains realized related to the Tropicana Evansville and MontBleu acquisitions, respectively, $3.1 million of transaction costs accrued in connection with the Tropicana Evansville acquisition, and a $15.0 million tax effect recognized upon the sale of the Bally's Dover Downs casino to GLPI.

6(j) Represents a decrease of $14.8 million and increase of $273.6 million for MontBleu and Tropicana Evansville, respectively, to reflect the Lease obligations, net of current portion, at the date of acquisition, and a $114.2 million increase related to the sale-leaseback of Bally's Dover Downs casino.

6(k) Represents adjustments to Shareholder's equity in connection with the MontBleu and Tropicana Evansville acquisitions, as summarized in the following table:

(In thousands)	Eliminate MontBleu Equity	Eliminate Tropicana Evansville Equity	MontBleu Bargain Purchase Gain, net of tax	Tropicana Evansville Bargain Purchase Gain, net of tax	Tropicana Evansville Transaction Costs, net of tax	Gain on Sale of Dover Downs PP&E to GLPI, net of tax	2021 Acquisitions Total Adjustments to Equity
Additional paid-in capital	$ —	(389,308)	$ —	$ —	$ —	$ —	$(389,308)
Retained earnings	(37,610)	(71,769)	3,224	32,804	(2,275)	38,466	(37,160)
Total shareholders' equity	**$(37,610)**	**$(461,077)**	**$3,224**	**$32,804**	**$(2,275)**	**$38,466**	**$(426,468)**

Refer below for impacted line items and adjustments to the Unaudited Pro Forma Statements of Operations for the three months ended March 31, 2021 and year ended December 31, 2020:

6(l) Represents an increase to rent expense related to changes in the fair value of right of use asset and lease liabilities and new leases entered into at the acquisition date, of $1.4 million and $7.3 million for MontBleu and Evansville, respectively for the three months ended March 31, 2021, $5.7 million and $29.2 million for MontBleu and Evansville, respectively for the year ended December 31, 2020, and additional rent expense incurred in connection with the sale-leaseback of Bally's Dover Downs casino of $3.0 million and $12.0 million for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively.

6(m) Represents transaction costs in connection with the Tropicana Evansville acquisition. Transaction costs incurred in connection with the MontBleu acquisition were not material.

6(n) Represents a decrease in depreciation expense related to acquired furniture, fixtures and equipment resulting from the fair value adjustment of assets acquired in the 2021 Acquisitions. Bally's estimated that the fair value of furniture, fixtures and equipment was less than Tropicana Evansville's book value by $285.6 million and less than MontBleu's book value by $49.3 million. As a result, depreciation expense decreased by a total of $1.6 million and $7.5 million on a combined basis for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, using the straight-line method of

depreciation. The estimated remaining useful lives of acquired furniture, fixtures and equipment from the 2021 Acquisitions ranged from 1 year to 4 years:

(In thousands)	Fair Value	Weighted Average Useful Life (Years)	Depreciation Method	Year ended December 31, 2020	Three-months ended March 31, 2021
Furniture, fixtures and equipment	$12,312	3	Straight Line	$ 4,324	$ 1,081
Less: historical depreciation expense				(9,249)	(2,047)
Evansville Pro forma adjustment				(4,925)	(966)
Reduction in MontBleu depreciation expense				(2,536)	(634)
Total Pro forma Adjustment				**$(7,461)**	**$(1,600)**

Additionally, depreciation expense decreased by $0.7 million and $2.7 million, for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, as a result of the sale of Bally's Dover Downs assets of $89.9 million.

6(o) Represents the amortization of intangible assets related to the 2021 Acquisitions over an eight-year period as if the 2021 Acquisitions occurred on January 1, 2020, offset by the reversal of historical amortization expense. The estimated useful lives were determined based on a review of the time period over which economic benefit is expected to be generated as well as additional factors such as the contractual life and management's expectations based on historical experience with similar assets:

(In thousands)	Fair Value	Weighted Average Useful Life (Years)	Amortization Method	Year ended December 31, 2020	Three months ended March 31, 2021
Rated Player Relationships	$610	8	Straight Line	$ 76	$ 19
Less: historical intangible asset amortization expense				(4,333)	(1,083)
Evansville Pro forma adjustment				(4,257)	(1,064)
Increase in MontBleu amortization expense				70	18
Total Pro forma Adjustment				**$(4,187)**	**$(1,046)**

6(p) Represents the non-recurring gain on the sale of Bally's Dover Downs casino to GLPI.

6(q) Represents the income tax effect of the 2021 Acquisitions adjustments for the year ended December 31, 2020 and for the three months ended March 31, 2021, calculated using Bally's statutory tax rate of 28%. This rate may be subject to change and may not be reflective of Bally's effective tax rate for future periods after consummation of the Transactions.

Note 7 — Gamesys reclassifications and IFRS to U.S. GAAP adjustments

Gamesys' historical financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), which differ in certain significant respects from U.S. GAAP as applied by Bally's. Adjustments were made to Gamesys' financial statements to convert them from IFRS to U.S. GAAP and to Bally's existing accounting policies after evaluating potential areas of differences.

The historical financial information of Gamesys was prepared in accordance with IFRS and presented in Pounds Sterling. The historical financial information was translated from Pounds Sterling to U.S. dollars

using the March 31, 2021 spot rate to translate the Balance Sheet and the average daily exchange rate for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively to translate the Statements of Operations:

GBP £ / USD $	
March 31, 2021 spot rate	1.375
Three months ended March 31, 2021 average exchange rate	1.379
Year ended December 31, 2020 average exchange rate	1.284

These exchange rates may differ from future exchange rates which would have an impact on the Unaudited Pro Forma Financial Information and would also impact purchase accounting upon consummation of the acquisition. As an example, utilizing the daily closing exchange rate at July 16, 2021 of £1/US$1.3792 would increase the translated amounts of net income for the three months ended March 31, 2021 and the year ended December 31, 2020 presented below by approximately $747 and $6,395, respectively, as well as increase total assets as of March 31, 2021, presented below, by approximately $5,760.

Refer below for impacted line items and adjustments to the Unaudited Pro Forma Balance Sheet as of March 31, 2021:

(In thousands)	Gamesys Reported IFRS (GBP) (a)	Reclassifications (GBP)	Note	Gamesys US GAAP (GBP)	Gamesys US GAAP (USD)
Current assets					
Cash and cash equivalents	250,900	—		250,900	$ 344,912
Player deposits	29,000	—		29,000	39,866
Accounts receivable, net	38,600	—		38,600	53,063
Taxes receivable	500	(500)	(b)	—	—
Prepaid expenses and other current assets	—	500	(b)	500	687
Total current assets	319,000	—		319,000	438,528
Non-current assets					—
Property and equipment, net	9,200	—		9,200	12,647
Intangible assets	388,800	—		388,800	534,483
Goodwill	523,800	—		523,800	720,068
Right-of-use assets	21,200	—		21,200	29,144
Deferred tax asset	13,000	—		13,000	17,871
Other long-term receivables	5,000	(5,000)	(c)	—	—
Other assets	—	5,000	(c)	5,000	6,875
Total assets	1,280,000	—		1,280,000	$1,759,616
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities	98,700	(98,700)	(d),(e)	—	—
Accounts payable	—	12,800	(d)	12,800	17,596
Accrued liabilities	—	112,700	(e)	112,700	154,929
Other short-term payables	900	(900)	(d)	—	—
Current portion of cross currency and interest rate swap payable	6,800	—		6,800	9,348
Current portion of lease obligations	5,900	—		5,900	8,111
Interest payable	1,900	(1,900)	(e)	—	—
Payable to players	29,000	—		29,000	39,866
Provision for taxes	24,000	(24,000)	(e)	—	—
Total current liabilities	167,200	—		167,200	229,850

(In thousands)	Gamesys Reported IFRS (GBP) (a)	Reclassifications (GBP)	Note	Gamesys US GAAP (GBP)	Gamesys US GAAP (USD)
Non-current liabilities					—
Other long-term payables	13,700	(13,700)	(f)	—	—
Other long-term liabilities	—	19,800	(f)	19,800	27,219
Provisions	6,100	(6,100)	(f)	—	—
Lease obligations, net of current portion	16,300	—		16,300	22,408
Deferred tax liability	42,600	—		42,600	58,562
Long-term debt, net of current portion	492,000	—		492,000	676,352
Total liabilities	737,900	—		737,900	1,014,391
Equity					—
Retained earnings	270,400	—		270,400	371,719
Share capital	11,000	(11,000)	(g)	—	—
Common stock	—	11,000	(g)	11,000	15,122
Share premium	9,900	(9,900)	(g)	—	—
Additional paid-in capital	—	9,900	(g)	9,900	13,609
Other reserves	250,800	—		250,800	344,775
Total shareholders' equity	542,100	—		542,100	745,225
Total liabilities and shareholders' equity	1,280,000	—		1,280,000	$1,759,616

(a) The net assets of Gamesys at March 31, 2021 have been extracted from Management's interim reporting update for the three months ended March 31, 2021.

The classification of certain items presented by Gamesys under IFRS have been modified in order to align with the presentation used by Bally's under U.S. GAAP. There were no other material adjustments made to the balance sheet to align with U.S. GAAP based on management's preliminary assessment of differences between IFRS and U.S. GAAP. The following modifications were made to the Unaudited Pro Forma Balance Sheet presentation:

(b) Reclassification of Taxes receivable to Prepaid expenses and other current assets.

(c) Reclassification of Other long-term receivables to Other assets.

(d) Reclassification of £12.8 million of trade payables from Accounts payable and accrued liabilities to Accounts payable and £0.9 million of Other short-term payables to Accounts payable.

(e) Reclassification of Interest payable, Provision for taxes, and £86.8 million of accrued liabilities included in Accounts payable and accrued liabilities to Accrued Liabilities.

(f) Reclassification of Other long-term payables and Provisions to Other long-term liabilities.

(g) Reclassification of Share capital and Share premium to Common stock and Additional paid-in capital, respectively.

Refer below for impacted line items and adjustments to the Unaudited Pro Forma Statement of Operations for the three months ended March 31, 2021:

(In thousands)	Gamesys Reported IFRS (GBP) (a)	Reclassification and IFRS to GAAP adjustments (GBP)		Notes	Gamesys US GAAP (GBP)	Gamesys US GAAP (USD)
		Reclassification Adjustments	Leases			
Revenues	197,800	—	—		197,800	$272,800
Operating costs and expenses						
Distribution costs	107,700	(107,700)	—	(b)	—	—
Gaming, racing, hotel, food and beverage, retail, entertainment and other	—	107,700	—	(b)	107,700	148,536
Administrative costs	58,000	(58,000)	—	(c),(d)	—	—
Impairment of financial assets	—	—	—	(d)	—	—
Advertising, general and administrative	—	33,500	1,600	(d),(g)	35,100	48,409
Severance costs	800	(800)	—	(e)	—	—
Transaction related costs	1,900	(1,900)	—	(e)	—	—
Acquisition, integration and restructuring expense	—	2,700	—	(e)	2,700	3,724
Depreciation and amortization	—	24,500	(1,300)	(c),(g)	23,200	31,997
Foreign exchange loss/(gain)	(4,200)	—	—		(4,200)	(5,793)
Total operating costs and expenses	164,200	—	300		164,500	226,873
Income (loss) from operations	33,600	—	(300)		33,300	45,927
Other income (expense)						
Interest income	(100)	—	—		(100)	(138)
Interest expense	5,100	(5,100)	—	(f)	—	—
Accretion on financial liabilities	300	(300)	—	(f)	—	—
Interest expense, net of amounts capitalized	—	5,400	(300)	(f),(g)	5,100	7,034
Total other expense	5,300	—	(300)		5,000	6,896
Income (loss) before provision for income taxes	28,300	—	—		28,300	39,031
Tax expense	4,500	—	—		4,500	6,206
Net income (loss)	23,800	—	—		23,800	$ 32,825

Refer below for impacted line items and adjustments to the Unaudited Pro Forma Statement of Operations for the year ended December 31, 2020:

(In thousands)	Gamesys Reported IFRS (GBP) (a)	Reclassification and IFRS to U.S. GAAP adjustments (GBP)		Notes	Gamesys U.S. GAAP (GBP)	Gamesys U.S. GAAP (USD)
		Reclassification Adjustments	Leases			
Revenues	727,700	—	—		727,700	$934,398
Operating costs and expenses	—	—	—		—	—
Distribution costs	399,900	(399,900)	—	(b)	—	—
Gaming, racing, hotel, food and beverage, retail, entertainment and other	—	399,900	—	(b)	399,900	513,489
Administrative costs	221,500	(221,500)	—	(c),(d)	—	—
Impairment of financial assets	5,000	(5,000)	—	(d)	—	—
Advertising, general and administrative	—	126,500	6,500	(d),(g)	133,000	170,778
Severance costs	1,900	(1,900)	—	(e)	—	—
Transaction related costs	1,800	(1,800)	—	(e)	—	—
Acquisition, integration and restructuring expense	—	3,700	—	(e)	3,700	4,751
Depreciation and amortization	—	100,000	(5,300)	(c),(g)	94,700	121,599
Foreign exchange loss/(gain)	4,200	—	—		4,200	5,393
Total operating costs and expenses	634,300	—	1,200		635,500	816,010
Income (loss) from operations	93,400	—	(1,200)		92,200	118,388
Other income (expense)						
Interest income	(500)	—	—		(500)	(642)
Interest expense	24,000	(24,000)	—	(f)	—	—
Accretion on financial liabilities	1,200	(1,200)	—	(f)	—	—
Interest expense, net of amounts capitalized	—	25,200	(1,200)	(f),(g)	24,000	30,817
Total other expense	24,700		(1,200)		23,500	30,175
Income (loss) before provision for income taxes	68,700	—	—		68,700	88,213
Tax expense	1,500	—	—		1,500	1,926
Net income (loss)	67,200	—	—		67,200	$ 86,287

(a) The results of Gamesys for the three months ended March 31, 2021 and the year ended December 31, 2020 have been extracted from the consolidated financial statements of Gamesys, as set out in Bally's Current Report on Form 8-K incorporated by reference herein.

The classification of certain items presented by Gamesys under IFRS has been modified in order to align with the presentation used by Bally's under U.S. GAAP. The following modifications were made to the Unaudited Pro Forma Statements of Operations presentation:

(b) Reclassification of Distribution costs to Gaming, racing, hotel, food and beverage, retail, entertainment and other.

(c) Includes the reclassification of £22.3 million and £91.2 million of amortization for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively and £2.2 million and £8.8 million of depreciation for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, to Depreciation and amortization.

(d) Reclassification of £5.0 million of Impairment of financial assets for the year ended December 31, 2020, and £33.5 million and £121.5 million for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, of Administrative costs to Advertising, general and administrative.

(e) Reclassification of Severance costs and Transaction related costs to Acquisition, integration and restructuring expense.

(f) Reclassification of Interest expense and Accretion on financial liabilities to Interest expense, net of amounts capitalized.

(g) Reflects reclassification of £1.3 million and £5.3 million of depreciation for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively and £0.3 million and £1.2 million of interest expense for the three months ended March 31, 2020 and the year ended December 31, 2020, respectively, related to leased assets to lease expense. Under IFRS, leases are not classified as operating or finance leases. A single recognition and measurement model is applied to all leases, which results in nearly all leases under IFRS being treated similarly to finance leases under U.S. GAAP. Under U.S. GAAP, leases are classified as either operating or finance leases on the basis of specific lease classification criteria. Management performed a preliminary assessment and concluded that Gamesys' leases would be classified as operating leases under U.S. GAAP with lease expense recognized on a straight-line basis as part of Advertising, general and administrative expenses. Management concluded that there would not be a material difference between the expense already recognized and measuring lease expense on a straight-line basis under U.S. GAAP. Therefore, no further adjustment has been recorded.

Note 8 — Gamesys Acquisition adjustments

8(a) Preliminary purchase consideration and allocation:

The Gamesys Acquisition, which is expected to close in late 2021, will result in Bally's acquiring all of the outstanding equity securities of Gamesys for an estimated purchase price of $3,272 million funded through debt financing and the issuance of equity, subject to certain customary post-closing adjustments. The Company will acquire both the operations and real estate of Gamesys.

Bally's has performed a preliminary analysis of the fair value of Gamesys' assets and liabilities based on publicly available benchmarking information as well as a variety of other factors, including market participant assumptions. The following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

(In thousands, except share and share price amounts)	
Gamesys shares expected to be exchanged	28,003,501(i)
Gamesys purchase price per share translated using July 16, 2021 spot rate	$ 25.52
Bally's closing share price on July 16, 2021	$ 47.15
Exchange ratio	0.343(i)
Total Bally's shares to be issued	9,605,201
Total value of Bally's shares to be issued	$ 452,885(i)
Total cash consideration paid at $25.52 price per Gamesys Share	$ 2,142,662(ii)
Repayment of Gamesys Debt	$ 676,352(iii)
Total purchase consideration	$ 3,271,899
Less total cash acquired	$ (302,912)(iv)
Purchase consideration, net of cash acquired	$ 2,968,987
Allocation of purchase consideration, net of cash acquired:	
Estimated fair values of assets acquired	
Current assets, excluding cash	$ 93,616(v)
Intangible assets	$ 1,602,965(v)
Other non current assets	$ 66,537(v)
Total estimated fair values of liabilities assumed, excluding debt	$ (279,477)(v)
Deferred tax liability	$ (304,563)(v)
Residual Goodwill	$ 1,789,909
Less Gamesys' historical goodwill	$ (720,068)
Goodwill adjustment	$ 1,069,841(vi)

(i) Upon closing of the Gamesys Acquisition, Bally's will provide Gamesys shareholders who elect to exchange their shares, 0.343 shares of Bally's common stock for each share of Gamesys common stock. The remaining shares of Gamesys common stock will be settled in cash for which shareholders will be entitled to receive £18.50 per share. The table above assumes an exchange rate of $1.3792 per Pound Sterling, based on the July 16, 2021 spot rate, which was used to translate the Gamesys price from Pounds Sterling to U.S. Dollars. Certain of Gamesys' current shareholders holding an aggregate amount of 25.6% of Gamesys' shares have agreed to receive shares of Bally's Common Stock in the Gamesys Acquisition. As such, for purposes of this Unaudited Pro Forma Financial Information, Bally's estimates 25.6% of Gamesys' outstanding shares (111,979,409 shares on July 16, 2021, including 2,257,893 Gamesys shares that are expected to vest immediately prior to the transaction) will be exchanged for 9,605,201 shares of Bally's Common Stock, and the balance of Gamesys' outstanding shares will be exchanged for cash. For purposes of this Unaudited Pro Forma Financial Information, Bally's estimates that 74.5% of Gamesys' outstanding shares will be exchanged for cash, resulting in aggregate cash consideration of $2,143 million to be financed through net proceeds from the Gamesys Financing Transaction. The remaining proceeds from the Gamesys Financing Transaction will be used for the repayment of Gamesys' EUR and GBP Term Facilities. The actual amount of purchase consideration that will be settled in equity will be determined upon consummation of the Gamesys Acquisition. A hypothetical 10% increase or decrease in the number of outstanding Gamesys shares that are exchanged for Bally's Common Stock, all other factors remaining constant, would result in a corresponding increase or decrease in the equity consideration of $45.3 million, or 960,520 shares of Bally's Common Stock.

(ii) Cash consideration assumes 74.5% of outstanding Gamesys shares will be exchanged for cash equal to £18.50 per share.

(iii) Under the terms of the Gamesys Acquisition, Bally's will repay the outstanding balance of Gamesys debt. The value of the Gamesys debt at March 31, 2021 has been included in the calculation of preliminary purchase consideration, however actual purchase consideration will reflect the balance of Gamesys' debt outstanding as of the acquisition date.

(iv) Cash acquired excludes $42 million dividend (28 pence per share) declared by Gamesys on March 8, 2021, payment of which will be accelerated upon transaction closing.

(v) Under the acquisition method of accounting, the total purchase price is allocated to the acquired tangible and intangible assets and assumed liabilities of Gamesys based on its estimated fair value as of the closing date. Except as discussed in the notes below, the carrying value of Gamesys' assets and liabilities are considered to approximate their fair values.

(vi) The preliminary fair value adjustments are based on benchmark data available to Bally's and is subject to change upon completion of the final purchase price allocation. Any change in the estimated fair value of the assets and liabilities acquired will have a corresponding impact on the amount of the goodwill recorded. Goodwill is attributable to the assembled workforce of Gamesys and planned growth in new markets through continued investment. Goodwill recorded is not expected to be deductible for tax purposes.

8(b) Represents the tax benefit related to non-recurring transaction costs that are expected to be incurred that have not been recognized in the historical financial statements of Gamesys.

8(c) Represents the fair value of intangible assets acquired. This includes the total acquired finite-lived intangible assets less the historical intangible assets recorded by Gamesys.

(In thousands)	Three months ended March 31, 2021
Trademarks and trade names	$ 184,014
Customer relationships	995,038
Developed technology (Software)	395,289
Partnership Agreement	28,624
Total acquired finite lived intangible assets	1,602,965
Less: historical intangible assets	(534,483)
Pro forma adjustment	$1,068,482

8(d) Represents non-recurring transaction costs that are expected to be incurred that have not been recognized in the historical financial statements of Gamesys.

8(e) Represents incremental amortization expense of $50,532 and $11,154 for the year ended December 31, 2020 and three months ended March 31, 2021, respectively related to identified intangible assets acquired in connection with the Gamesys Acquisition. The estimated useful lives were determined based on a review of the time period over which economic benefit is estimated to be generated as well as additional factors. Factors considered include contractual life, the period over which a majority of cash flow is expected to be generated or management's view based on historical experience with similar assets.

(In thousands)	Fair Value	Useful Life (Years)	Amortization Method	Year ended December 31, 2020	Quarter ended March 31, 2021
Trademarks and trade names	$ 184,014	10	Straight Line	$ 17,335	$ 4,334
Customer relationships	995,038	10	Straight Line	93,735	23,434
Developed technology (Software)	395,289	7	Straight Line	53,196	13,299
Partnership Agreement	28,624	8	Straight Line	3,371	843
Total acquired finite lived intangible assets	1,602,965			167,637	41,909
Less: historical intangible asset amortization expense		—		(117,105)	(30,755)
Pro forma adjustment		—		$ 50,532	$ 11,154

The value of intangible assets is preliminary. A 10% change in the valuation of intangible assets would cause a corresponding increase or decrease in the balance of goodwill of $160.3 million and annual amortization expense of approximately $28.1 million, assuming an overall weighted average useful life of 9.22 years.

8(f) Represents repayment of Gamesys' EUR and GBP Term Facilities and Bally's historical debt ($1,810,701) and reversal of related interest expense ($27,832 and $94,065 for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively).

8(g) Reflects the income tax effect of the Gamesys Acquisition adjustments for the three months ended March 31, 2020 and the year ended December 31, 2020, respectively, based on a UK statutory rate of 19 percent. On June 10, 2021, Royal Assent was granted for Finance Act 2021, raising the UK statutory tax rate to 25%. For the purpose of the Unaudited Pro Forma Condensed Combined Statements of Income for the three months ended March 31, 2021, the change in the UK statutory tax rate would result in a decrease of net income of $1.15 million.

8(h) Represents adjustments to deferred tax liabilities based on a UK statutory tax rate of 19 percent. The total adjustment to deferred tax liabilities is related to the following estimated fair value adjustments:

(In thousands)	Fair Value	Tax rate	Pro Forma Deferred Tax Adjustment
Intangible assets, net	$1,602,965	19%	$304,563
Less: deferred taxes on historical intangible assets			(58,562)
Pro forma adjustment			$246,001

On June 10, 2021, Royal Assent was granted for Finance Act 2021, raising the UK statutory tax rate to 25%. For the purpose of the Unaudited Condensed Combined Balance Sheet as of March 31, 2021, the change in the UK statutory tax rate would result in an increase of $96.2 million to the deferred tax adjustment.

8(i) Represents adjustments to equity related to the Gamesys Acquisition:

	Eliminate Gamesys' Equity	Issuance to Gamesys Shareholders	Transaction Costs	Total Acquisition Adjustments to Equity
Common stock	$ (15,122)	$ 98	$ —	$ (15,024)
Additional paid-in capital	(13,609)	463,513	—	449,904
Retained earnings	(371,719)	—	(21,157)	(392,876)
Other Reserves	(344,775)	—	—	(344,775)
Total shareholders' equity	$(745,225)	$463,611	$(21,157)	$(302,771)

Note 9 — Gamesys Financing Transaction adjustments

Adjustments to the Pro Forma Balance Sheet related to the Term Loan and Senior Unsecured Notes include the following:

9(a) Represents an increase in cash related to net proceeds from the issuance of a $1,910,963 term loan (net of $19,450 in debt financing fees and $14,588 deferred discount), a $734,640 senior unsecured note (net of $15,360 debt financing fees), and a $733,613 senior unsecured note (net of $16,388 debt financing fees) for total net proceeds of $3,379,215 entered into by Bally's to provide the financing necessary to pay the cash portion of the consideration payable to Gamesys' shareholders upon consummation of the Gamesys Acquisition, for refinancing existing indebtedness from Gamesys upon consummation of the Gamesys Acquisition and to pay fees, costs and expenses incurred in connection with the Gamesys Acquisition. The term loan matures 84 months from the issuance date. Interest on the loan which is paid quarterly accrues at a variable rate of LIBOR plus 3.50%, including a LIBOR floor of 0.50%. The senior unsecured notes

mature 96 months and 120 months from the issuance date, respectively. Interest on the senior unsecured notes which are paid semi-annually accrue at interest rates of 5.625% and 5.875%, respectively.

(In thousands)	
Gross Proceeds from Term Loan B	1,945,000
Term Loan B fees	(34,038)
Net proceeds from Term Loan B	**$1,910,963**
Gross proceeds from 8 year Senior Unsecured Note	750,000
Senior Unsecured Note fees	(15,360)
Net Proceeds from 8 year Senior Unsecured Note	**$ 734,640**
Gross proceeds of 10 year Senior Unsecured Note	750,000
Senior Unsecured Note fees	(16,388)
Net Proceeds from 10 year Senior Unsecured Note	**$ 733,613**
Total proceeds from the Gamesys Financing Transactions	**$3,379,215**

9(b) Represents a $3,360 million increase in long-term debt from term loan and senior unsecured notes and a $19.5 million increase in current portion of long-term debt from the term loan, net of $65,785 related fees and expenses.

Adjustments to the Unaudited Pro Forma Income Statements related to the Gamesys Financing Transaction include the following:

9(c) Total interest expense, including amortized debt issuance fees of $2.6 million, for the Gamesys Financing Transaction was $40.8 million for the three months ended March 31, 2021. Total interest expense, including amortized debt issuance fees of $7.1 million, for the Gamesys Financing transaction was $163 million for the year ended December 31, 2020. In connection with the term loan, the adjustment assumes that the term loan was outstanding for the full year 2020 at a weighted average interest rate of 3.58%. This rate is based on the 1 Month LIBOR rate on July 16, 2021 plus 3.5%. A change in the underlying interest rate of 1/8 percentage point would result in an increase or decrease in interest expense of $2.4 million.

9(d) Represents the tax benefit related to the Gamesys Financing Transaction adjustments.

Note 10 — Equity Offering adjustments

Adjustments to the Pro Forma Balance Sheet and Pro Forma Statements of Operations related to the Equity Offerings include the following:

10(a) Represents the net proceeds from the Equity Offerings, reduced by the amount that was used to pay $50 million of transaction costs related to Transactions. A reconciliation of the gross proceeds received to the net cash proceeds received from the Equity Offerings is set forth below:

(In thousands, except per share amounts)	
Class A common stock public offering price per share	$ 55.00
Shares of Class A common stock issued	12,650
Gross proceeds	$695,750
Less: Underwriting discounts, commissions, and offering expenses	(24,351)
Net cash proceeds	**$671,399**
Proceeds from sale of Warrant	50,000
Total net cash proceeds from Equity Offerings	**$721,399**
Cash used to pay transaction costs related to the Transactions	50,000
Total pro forma adjustment	**$671,399**

10(b) Represents tax benefit related to the issuance fees and offering expenses for the Equity Offerings.

10(c) Represents an adjustment to common stock related to the issuance of 12.65 million shares, par value $0.01 per share, issued pursuant to the Common Stock Offering.

10(d) Comprised of a $695.7 million adjustment related to the Common Stock Offering and a $50 million adjustment related to the sale of the Warrant to Sinclair.

10(e) Represents an adjustment to retained earnings related to issuance fees and offering expenses for the Equity Offerings, net of tax.

10(f) Represents an adjustment to the Pro Forma Statements of Operations related to issuance fees and offering expenses for the Equity Offerings.

Note 11 — Pro forma earnings per share information

11(a) Represents the net earnings per share calculated using the historical weighted average shares outstanding and the issuance of additional shares in connection with the Gamesys Acquisition, the Gamesys Financing Transaction and the Equity Offerings, assuming the shares were outstanding since January 1, 2020. As the Gamesys Acquisition, the Gamesys Financing Transaction and the Equity Offerings are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding assumes that the shares issuable relating to the Gamesys Acquisition, the Gamesys Financing Transaction and the Equity Offerings have been outstanding for the entire period presented. For shares redeemed, this calculation is retroactively adjusted to eliminate such shares.

(In thousands, except shares and per share amounts)	December 31, 2020	March 31, 2021
Pro forma net income (loss)	**(33,000)**	**14,963**
Basic weighted average common shares outstanding:		
Historical share count	31,315,151	35,826,924
Expected shares issuable to Gamesys Shareholders	9,605,201	9,605,201
Additional issuance in Common Stock Offering	12,650,000	12,650,000
Sale of Warrant	909,090	909,090
Basic weighted average common shares outstanding used in pro forma net income (loss) per share	**54,479,442**	**58,991,215**
Pro forma net income (loss) per share, basic	**(0.61)**	**0.25**
Impact of dilution on historical shares outstanding	—	876,785
Diluted weighted average common shares outstanding used in pro forma net income (loss) per share	54,479,442	59,867,999
Pro forma net income (loss) per share, diluted	**(0.61)**	**0.25**

DESCRIPTION OF OTHER INDEBTEDNESS

Commitment for New Credit Facilities

Substantially concurrently with the consummation of this offering, we intend to obtain a commitment, subject to satisfaction of customary closing conditions, for the New Credit Facilities. We anticipate entering into definitive documentation for the New Credit Facilities on the date the Assumption occurs. As a result, the summary below is based only on the terms we are seeking and expect would be available to us. When we enter into the New Credit Facilities, these terms could change. Consummation of this offering is not conditioned on concurrent closing of the New Credit Facilities.

New Credit Facilities

Overview. In connection with the consummation of the Gamesys Acquisition, we expect to enter into the New Credit Facilities, which are expected to, subject to the satisfaction of customary closing conditions, provide for senior secured financing in an aggregate principal amount of up to $2,565 million, consisting of (i) a senior secured term loan facility in an aggregate principal amount of up to $1,945 million, which is expected to mature on the seventh anniversary of the date upon which all closing conditions are satisfied (the "Effective Date"), and (ii) a senior secured revolving credit facility in an aggregate principal amount of up to $620 million, which is expected to mature on the fifth anniversary of the Effective Date, and includes a letter of credit sub-facility. We anticipate the New Credit Facilities will allow us to (i) increase the size of the New Term Loan Facility and/or request one or more incremental term loan facilities and/or (ii) increase commitments under our New Revolving Credit Facility and/or add one or more incremental revolving facilities, in an aggregate amount not to exceed (I) the greater of (x) $650 million and (y) 100% of consolidated EBITDA for the most recent four-quarter period (minus the aggregate outstanding principal of certain ratio debt permitted to be incurred), plus (II)(i) in the case of loans that effectively extend the maturity of the New Term Loan Facility, the New Revolving Credit Facility or certain other first lien indebtedness, an amount equal to the reductions to the New Term Loan Facility, the New Revolving Credit Facility and/or such other first lien indebtedness replaced by such incremental loans and (ii) in the case of loans that effectively replace any commitment under the New Revolving Credit Facility or certain other first lien revolving commitments terminated or New Term Loan Facility or certain other first lien indebtedness repaid in accordance with certain provisions, an amount equal to the portion of the relevant terminated commitments or repaid indebtedness, plus (III) the amount of any voluntary prepayment or repurchase of the term loans or any incremental term loan or certain other first lien indebtedness and/or any permanent reduction of the commitments under the New Revolving Credit Facility or any incremental revolving commitments or certain other first lien revolving commitments (provided that the relevant prepayment or reduction (A) is not funded with long term indebtedness and (B) shall not include any prepayment of an incremental facility originally incurred in reliance on clause (IV) of this paragraph), plus (IV) an additional unlimited amount subject to pro forma compliance with a secured net leverage ratio of 3.50:1.00, in each case, subject to certain conditions and receipt of commitments by existing or additional financial institutions or institutional lenders.

All borrowings under the New Credit Facilities are expected to be subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties, subject to certain exceptions.

Interest and fees. Borrowings under the New Credit Facilities are expected to bear interest at a rate equal to, at our option, either (i) LIBOR determined by reference to the cost of funds for U.S. dollar deposits for the interest period relevant to such borrowing, adjusted for certain additional costs (but which will not be less than a floor to be agreed) or (ii) a base rate determined by reference to the greater of (I) the federal funds rate plus 0.50%, (II) the prime rate as determined by the administrative agent under the New Credit Facilities, (III) the one-month LIBOR rate plus 1.00% and (IV) a minimum floor to be agreed, plus an applicable margin. In addition, on a quarterly basis, we expect to be required to pay each lender under the New Revolving Credit Facility a commitment fee in respect of commitments under the New Revolving Credit Facility. We also expect to be required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the face amount of each undrawn letter of credit, plus such letter of credit issuer's

customary administration and issuance fees and charges and a fronting fee in an amount not to exceed 0.125% per annum of the face amount of each letter of credit.

Mandatory and voluntary prepayments. The New Credit Facilities are expected to require us to prepay outstanding loans, subject to certain exceptions, with:

- 100% (which percentage is expected to be reduced to 50% and 0% based on our total net leverage ratio) of the net cash proceeds of certain non-ordinary course asset sales or other dispositions of property (including insurance and condemnation proceeds), in any single transaction or series of related transactions in excess of a dollar threshold to be agreed, in each case, subject to certain exceptions, and provided that we may (a) reinvest those proceeds within 12 months or (b) contractually commit to reinvest those proceeds within 12 months and so reinvest such proceeds within 6 months thereafter;
- 100% of the net cash proceeds of any issuance of debt after the Effective Date of the New Credit Facilities, other than proceeds from debt permitted under the New Credit Facilities but including the proceeds of certain permitted refinancing debt; and
- 50% of our annual excess cash flow (in each fiscal year commencing with the first full fiscal year to occur after the Effective Date of the New Credit Facilities) to the extent such amount exceeds a dollar threshold to be agreed and with step-downs to 25% and 0% based on our total net leverage ratio.

Collateral and guarantors. The New Credit Facilities are expected to be borrowed by us and fully and unconditionally guaranteed by each of our existing and future wholly-owned material restricted subsidiaries (subject to certain exceptions), and are expected to be secured by a valid and perfected first priority lien (subject to certain permitted liens) on substantially all of our and each of the guarantors' existing and future property and assets (in each case, other than certain excluded assets), including (i) all equity interests held directly by us or any guarantor (which, in the case of equity interests of any foreign subsidiary that is a CFC (other than Gamesys and, subject to certain exceptions, its subsidiaries) or of any CFC Holdco, shall be limited to 100% of non-voting stock and 65% of the voting capital stock of such subsidiary); (ii) substantially all of our and the guarantors' tangible and intangible assets; and (iii) all proceeds and products of the foregoing.

Restrictive covenants and other matters. Solely to the extent that on the last day of the applicable fiscal quarter, the utilization of the New Revolving Credit Facility exceeds 30% (excluding certain undrawn letters of credit), the New Revolving Credit Facility is expected to require compliance on a quarterly basis with a maximum first lien net leverage ratio of 5.50:1.00. In addition, for purposes of determining compliance with such financial maintenance covenant for any fiscal quarter, we expect to be able to exercise an equity cure by the Company issuing certain permitted securities for cash or otherwise receiving cash contributions to the capital of the Company that will, upon the receipt by the Company of such cash, be included in the calculation of consolidated EBITDA solely for the purpose of such financial maintenance covenant. We expect that we will not be able to exercise the equity cure right in more than two fiscal quarters during any period of four consecutive fiscal quarters or more than five fiscal quarters during the term of the New Credit Facilities. Under the New Credit Facilities, we expect that we may also be required to meet specified leverage ratios or fixed charge coverage ratios in order to take certain actions, such as incurring certain debt or making certain acquisitions.

In addition, the New Credit Facilities are expected to include negative covenants, subject to certain exceptions, restricting or limiting our ability and the ability of our Restricted Subsidiaries to, among other things: (i) make non-ordinary course dispositions of assets; (ii) participate in certain mergers and acquisitions; (iii) pay dividends or make distributions and stock repurchases and optional redemptions (and optional prepayments) of certain subordinated, junior lien or unsecured debt; (iv) incur, assume or guarantee indebtedness; (v) make certain loans and investments; (vi) grant, assume or incur liens; (vii) transact with affiliates; (viii) change our business and the business of our restricted subsidiaries; (ix) enter into negative pledges or restrictions on our ability or the ability of restricted subsidiaries to pay dividends, make distributions, repay or guarantee indebtedness, or make intercompany investments or transfers; (x) change the fiscal year; or (xi) modify charter documents, certain material gaming regulatory agreements or subordinated, junior lien or unsecured debt documents.

Existing Credit Facility

On May 10, 2019, we entered into the Existing Credit Agreement, which, as amended through the date hereof, provides for (1) the Existing Revolving Credit Facility in an aggregate principal amount of up to $325 million, which matures in 2024, and (2) the Existing Term Loan Facility in an aggregate principal amount of $575 million, which matures in 2026. As of March 31, 2021, there was $75 million outstanding under our Existing Revolving Credit Facility and $567.7 million outstanding under our Existing Term Loan Facility.

We expect to repay and terminate the Existing Senior Secured Credit Facilities under our Existing Credit Agreement on or prior to the date the Assumption occurs.

Existing 2027 Notes

On May 10, 2019, we issued $400 million aggregate principal amount of the Existing 2027 Notes. On October 9, 2020, we issued and additional $125 million aggregate principal amount of the Existing 2027 Notes. As of March 31, 2021, there were $525 million aggregate principal amount of the Existing 2027 Notes outstanding.

We expect to call the Existing 2027 Notes for redemption and satisfy and discharge our obligation with respect to the Existing 2027 Notes on or prior to the date the Assumption occurs.

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading "Certain Definitions." In this description, (1) the term "Escrow LLC Issuer" refers to Premier Entertainment Sub, LLC, a Delaware limited liability company and Wholly Owned Subsidiary and Unrestricted Subsidiary of Bally's Corporation, (2) the term "Escrow Co-Issuer" refers to Premier Entertainment Finance Corp., a Delaware corporation and Wholly Owned Subsidiary and Unrestricted Subsidiary of Bally's Corporation, (3) the term "Escrow Issuers" refers, collectively, to Escrow LLC Issuer and Escrow Co-Issuer, (4) the term "Company" refers only to Bally's Corporation, and not to any of its Subsidiaries, (5) the terms "we," "our" and "us" each refer to the Company and its consolidated Subsidiaries and (6) the term "Issuer" refers to (a) prior to the Assumption (as defined below), the Escrow Issuers and not any of their Subsidiaries or Affiliates and (b) from and after the Assumption, the Company and not any of its Subsidiaries or Affiliates.

The Escrow Issuers will issue $2.0 billion in aggregate principal amount of senior notes in this offering as two separate series: $1.0 billion in aggregate principal amount of senior notes due 2029 (the "2029 Notes") and $1.0 billion in aggregate principal amount of senior notes due 2031 (the "2031 Notes" and, together with the 2029 Notes, the "Notes"). The Notes will be issued under an indenture (the "indenture") dated as of the Issue Date (as defined below), among each of the Escrow Issuers and U.S. Bank National Association, as trustee (the "trustee"). Following the satisfaction of the Escrow Release Condition (as defined herein), (i) the Company will assume all of the rights and obligations of each of the Escrow Issuers under the Notes and the indenture and (ii) the Company and the Guarantors will enter into one or more supplemental indentures to the indenture to provide for the assumption by the Company of the obligations of each of the Escrow Issuers as issuers of the Notes and for the guarantees of the Notes by the Guarantors as described herein (collectively, the "Assumption"). The Escrow Issuers will not be subject to the restrictive covenants under any existing debt facility or outstanding notes indentures of the Company or any of its Subsidiaries.

The following description is a summary of certain provisions of the Notes, the indenture and the Escrow Agreements. The following summary does not purport to be a complete description of the Notes, the indenture and the Escrow Agreements and is subject to the detailed provisions of, and qualified in its entirety by reference to, all the provisions of those agreements, including the definitions of certain terms therein. We urge you to read the indenture governing the Notes because it, and not this description, defines your rights as holders of the Notes. Copies of the indenture are available as set forth below under "— Additional Information." Certain defined terms used in this description but not defined below under "— Certain Definitions" have the meanings assigned to them in the indenture.

The registered holder of a Note of any series will be treated as the owner of it for all purposes. Only registered holders will have rights under the indenture.

Brief Description of the Notes and the Note Guarantees

The Notes

Prior to the satisfaction of the Escrow Release Condition and the Assumption, the Notes will be senior secured obligations of each of the Escrow Issuers, secured on a first-priority basis only by the Escrowed Property, will not be the obligations of the Company and will not be guaranteed by the Guarantors. See "— Escrow of Proceeds; Escrow Release Condition."

Following the satisfaction of the Escrow Release Condition and the Assumption, the Notes will:

- be general senior unsecured obligations of the Issuer;
- rank *pari passu* in right of payment with all of our other existing and future senior Indebtedness;
- rank senior in right of payment to all future subordinated Indebtedness of the Issuer;
- be effectively subordinated to all of our existing and future secured Indebtedness, including the Senior Credit Facilities, to the extent of the value of the assets securing such Indebtedness;
- be structurally subordinated to all Indebtedness and other liabilities, including trade payables, of Subsidiaries that do not guarantee the Notes; and

- be unconditionally guaranteed by the Guarantors.

The Note Guarantees

Following the satisfaction of the Escrow Release Condition and the Assumption, the Notes will be jointly and severally guaranteed by the Guarantors. The Note Guarantees with respect to the Notes will:

- be general senior unsecured obligations of the applicable Guarantor;
- rank *pari passu* in right of payment to all of the applicable Guarantor's other existing and future senior Indebtedness;
- rank senior in right of payment to all future subordinated Indebtedness of the applicable Guarantor;
- be effectively subordinated to all secured Indebtedness of each Guarantor, including the applicable Guarantor's guarantees under the Senior Credit Facilities, to the extent of the value of the assets securing such Indebtedness; and
- be structurally subordinated to all Indebtedness and other liabilities, including trade payables, of Subsidiaries that do not guarantee the Notes.

As of March 31, 2021, after giving pro forma effect to this offering, the April 2021 equity offerings described in this offering memorandum and the entry into the Senior Credit Facilities and the use of proceeds therefrom to consummate the Gamesys Acquisition and retire our and Gamesys existing debt, the total principal amount of our Indebtedness would have been $3.445 billion, including the Notes offered hereby, and $1.945 billion aggregate principal amount of secured Indebtedness under the Senior Credit Facilities (and excluding $620.0 million of available undrawn revolving credit commitments). Our non-Guarantor Subsidiaries accounted for approximately $1.1 million, or 0.6%, of our total revenue for the three months ended March 31, 2021, (1.0 million) of our consolidated operating income for the three months ended March 31, 2021 and approximately $165.9 million, or 8.6% of our Consolidated Total Assets (excluding intercompany assets) and $4.5 million, or 0.3%, of our consolidated total liabilities (excluding intercompany liabilities), in each case as of March 31, 2021. The Senior Credit Facilities will permit, and the indenture governing the Notes permits, us and the Guarantors to incur additional indebtedness, including secured indebtedness subject to compliance with the applicable covenants in the Senior Credit Facilities and the indenture. The Notes and the Note Guarantees with respect to the Notes will be effectively subordinated to our obligations and the obligations of the Guarantors under the Senior Credit Facilities and any future secured indebtedness that we or the Guarantors incur, to the extent of the value of the collateral securing the Senior Credit Facilities or such other secured indebtedness. See "Risk Factors — Risks Relating to the Notes and Note Guarantees — The notes and the guarantees will be our and the guarantors' unsecured obligations, respectively. As such, the notes and the guarantees will be effectively subordinated to any of our and the guarantors' existing and future secured debt, including obligations under our Existing Credit Agreement, to the extent of the value of the collateral securing such indebtedness."

All of our Subsidiaries that are "Restricted Subsidiaries" are subject to the restrictive covenants under the indenture. All of our Subsidiaries that guarantee the Senior Credit Facilities will guarantee the Notes. Additionally, under the circumstances described below under the caption "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate certain of the Restricted Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries and subsidiaries or other entities owned by our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture and will not guarantee the Notes. As of the Issue Date, Bally's Interactive, LLC, Bet.Works (US) LLC, Sportsoft Solutions Inc., Fantasy Sports Shark, LLC, Fantasy Draft, LLC, Fantasy Draft Player Funds, LLC and AVA Ent. Ltd. Partnership will be Unrestricted Subsidiaries and will therefore not be subject to the covenants in the indenture.

Principal, Maturity and Interest

The Escrow Issuers will issue $2.0 billion in aggregate principal amount of Notes in this offering as two separate series: $1.0 billion in aggregate principal amount of 2029 Notes and $1.0 billion in aggregate principal amount of 2031 Notes. The Issuer may issue additional Notes of any series ("Additional Notes")

under the indenture from time to time after this offering. Any issuance of Additional Notes of any series is subject to compliance with all of the covenants in the indenture, including the covenant described below under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock." The Notes of each series and any Additional Notes of any series subsequently issued under the indenture are treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided*, that Additional Notes of any series will not be issued with the same CUSIP or ISIN, as applicable, as existing Notes of the applicable series unless such Additional Notes are fungible with the existing Notes of the applicable series for U.S. federal income tax purposes. The Notes of each series and any Additional Notes of the same series will be substantially identical with respect to redemption and matters requiring approval of the holders of the Notes of the applicable series and will benefit on a *pari passu* basis from the Note Guarantees. The Issuer will issue the Notes in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The 2029 Notes will mature on September 1, 2029. The 2031 Notes will mature on September 1, 2031. Interest on the 2029 Notes will accrue at the rate of 5.625% per annum and will be payable semi-annually in arrears on March 1 and September 1. Interest on the 2031 Notes will accrue at the rate of 5.875% per annum and will be payable semi-annually in arrears on March 1 and September 1. Interest on overdue principal and interest will accrue at a rate that is 1% per annum higher than the then applicable interest rate on the Notes of each series. The Issuer will make each interest payment to the holders of record for each series on the immediately preceding February 15 and August 15, respectively.

Interest on the Notes of each series will accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a holder of Notes of any series has given wire transfer instructions to the Issuer, the Issuer will pay all principal, interest and premium, if any, on that holder's Notes in accordance with those instructions. All other payments on the Notes will be made at the office or agency of the paying agent and registrar within the contiguous United States unless the Issuer elects to make interest payments by check mailed to the noteholders at their addresses set forth in the register of holders.

Paying Agent and Registrar for the Notes

The trustee will initially act as paying agent and registrar. The Issuer may change the paying agent or registrar without prior notice to the holders of the Notes, and the Issuer or any of its Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

A holder may transfer or exchange Notes of any series in accordance with the provisions of the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on the transfer. The Issuer and the registrar will not be required to transfer or exchange any Note of any series selected for redemption. Also, the Issuer and the registrar will not be required to transfer or exchange any Note of any series for a period of 15 days before a selection of Notes of the applicable series to be redeemed. Any transferred Notes may be subject to mandatory disposition pursuant to Gaming/Racing Laws in certain circumstances. See "— Gaming Disposition, Redemption and Other Matters."

Escrow of Proceeds; Escrow Release Condition

Concurrently with the consummation of this offering, each of the Escrow Issuers will enter into escrow agreements (the "Escrow Agreements") with the trustee and Deutsche Bank Trust Company Americas, acting as escrow agent (in such capacity, together with its successors, the "Escrow Agent") and Deutsche Bank AG, London Branch (the "Financial Adviser") (to the extent relevant, as described below), pursuant to which the Escrow Issuers will deposit, or cause to be deposited, into escrow accounts (each an "Escrow Account" and collectively, the "Escrow Accounts") an amount equal to (i) the gross proceeds of this offering of the Notes and (ii) an additional amount in cash that, when taken together with such gross proceeds, is sufficient

to fund the Special Mandatory Redemption of the Notes to, but excluding, the Special Mandatory Redemption Date assuming that the Special Mandatory Redemption Date is June 30, 2022 (together, the "Escrowed Property"). The Escrowed Property deposited in the Gamesys Purchase Portion Proceeding Account is an amount sufficient to cover the cash portion of the purchase price of the Gamesys Acquisition, being such amount as is required for the purposes of satisfying the cash consideration payable in relation to the Gamesys Acquisition and certain related expenses, and will be subject to the "cash confirmation" requirements under the UK Takeover Code (such Escrowed Property being, the "Cash Confirmed Escrow Property").

The Escrow Issuers will grant the trustee, for the benefit of the holders of the Notes of each series, a first-lien security interest in the Escrow Accounts and all deposits therein to secure the Notes Obligations pending disbursement as described below, *provided* that this security interest shall not be enforceable over the Cash Confirmed Escrow Account until the occurrence of a Special Mandatory Redemption Event. The Escrow Agent will invest the Escrowed Property (excluding the Cash Confirmed Escrow Property) in such specified cash equivalents, and liquidate such specified cash equivalents, as the Escrow Issuers will from time to time direct in writing, in accordance with the Escrow Agreements. The ability of the holders of the Notes to realize upon such Escrowed Property or securities held in the Escrow Accounts will be subject to (i) certain limitations of Bankruptcy Law in the event of a bankruptcy of the Escrow Issuer, (ii) in relation to the Cash Confirmed Escrow Property, the requirements of the UK Takeover Code and the Financial Adviser. In particular, the holders of the Notes will have no rights in relation to the Cash Confirmed Escrow Property until following a Special Mandatory Redemption Event.

Upon any interest payment date under the indenture, the Escrow Agent, at the direction from the Escrow LLC Issuer, will release from the Interest Escrow Account the amount of Escrowed Property necessary to fund the payment of any accrued and unpaid interest owing to holders of the Notes on such interest payment date. Otherwise, the Escrowed Property will be held in the Escrow Accounts until the earliest of (i) the date on which each of the Escrow LLC Issuer and, in the case of the Cash Confirmed Escrow Account, the Financial Adviser, deliver to the Escrow Agent the release instruction referred to in the next succeeding paragraph, (ii) the Termination Date, and (iii) the date on which the Escrow Issuers and the Financial Adviser deliver notice to the Escrow Agent to the effect set forth in clause (ii) under "— Special Mandatory Redemption" below.

Pursuant to the terms of the Escrow Agreements, the Escrowed Property held in the Escrow Accounts will be released (the "Escrow Release") to, or as directed by, the Escrow LLC Issuer and, in the case of the Cash Confirmed Escrow Account, the Financial Adviser, within one (1) Business Day following delivery by the Escrow Issuers and, in relation to the Cash Confirmed Escrow Account, the Financial Adviser, to the Escrow Agent and the trustee, of a release instruction (in the form and substance as set forth in the Escrow Agreements) instructing the Escrow Agent to release the Escrowed Property because the scheme of arrangement related to the Gamesys Acquisition has become effective (if being implemented by way of a scheme) or the takeover offer related to the Gamesys Acquisition has become or been declared wholly unconditional (if being implemented by way of a takeover offer) (the "Escrow Release Condition") and, as a result, the Escrow Release Condition has been or, substantially concurrently with the release of the Escrowed Property will be, satisfied (the date of the Escrow Release is hereinafter referred to as the "Escrow Release Date").

Note Guarantees

Following the satisfaction of the Escrow Release Condition and the consummation of the Assumption, the Notes will be guaranteed on a senior unsecured basis by each of our Restricted Subsidiaries that guarantee the Senior Credit Facilities. After the expiration of the Escrow Period, the Issuer will cause each of its Restricted Subsidiaries that incurs or guarantees the Senior Credit Facilities to execute and deliver to the trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the Notes on the same senior basis. See "— Certain Covenants — Additional Note Guarantees."

In the future, any Restricted Subsidiary that is (i) a Domestic Subsidiary or a Subsidiary of Gamesys that incurs or guarantees Indebtedness under the Senior Credit Facilities or (ii) a Domestic Subsidiary that incurs, Guarantees or otherwise becomes liable for any other Indebtedness of the Issuer or any Guarantor in an aggregate amount in excess of $50.0 million will become a Guarantor, as described under "Certain

Covenants — Additional Note Guarantees." The Note Guarantees with respect to the Notes will be joint and several senior unsecured obligations of the Guarantors.

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale, assignment, exchange, transfer, conveyance or other disposition of all or substantially all of the properties or assets of that Guarantor (including by way of merger, consolidation, amalgamation or otherwise) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if such sale, assignment, exchange, transfer, conveyance or other disposition does not violate the "Asset Sale" provisions of the indenture;

(2) in connection with any sale, assignment, exchange, transfer, conveyance or other disposition of Capital Stock of that Guarantor by way of merger, consolidation, amalgamation or otherwise after which the applicable Guarantor is no longer a Restricted Subsidiary, if such sale, assignment, exchange, transfer, conveyance or other disposition does not violate the "Asset Sale" provisions of the indenture;

(3) if the release or discharge of the Guarantee by such Guarantor is with respect to the Indebtedness that resulted in the creation of such Guarantee;

(4) if the Issuer designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the indenture;

(5) upon legal defeasance, covenant defeasance or satisfaction and discharge of the indenture as provided below under the captions "— Legal Defeasance and Covenant Defeasance" and "— Satisfaction and Discharge"; or

(6) upon the liquidation or dissolution of a Guarantor in a transaction or series of transactions that does not violate the terms of the indenture.

Optional Redemption

2029 Notes

At any time prior to September 1, 2024, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the 2029 Notes issued under the indenture, upon not less than 15 nor more than 60 days' prior written notice to the holders and the trustee, at a redemption price equal to 105.625% of the principal amount of the 2029 Notes redeemed, *plus* accrued and unpaid interest, if any, to, but not including, the date of redemption (subject to the rights of holders of the 2029 Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering; *provided* that:

(1) at least 50% of the aggregate principal amount of the 2029 Notes originally issued under the indenture (excluding 2029 Notes held by the Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs prior to 180 days after the date of the closing of such Equity Offering.

At any time prior to September 1, 2024, the Issuer, at its option, may on one or more occasions redeem all or a part of the 2029 Notes, upon not less than 15 nor more than 60 days' prior written notice to the holders and the trustee, at a redemption price equal to 100% of the principal amount of 2029 Notes redeemed *plus* the 2029 Notes Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the date of redemption (subject to the rights of holders of 2029 Notes on the relevant record date to receive interest due on the relevant payment date).

Except pursuant to the two preceding paragraphs, the 2029 Notes will not be redeemable at the Issuer's option prior to September 1, 2024. On or after September 1, 2024, the Issuer may on any one or more occasions redeem all or a part of the 2029 Notes, upon not less than 15 nor more than 60 days' prior written notice to the holders and the trustee, at the redemption prices (expressed as percentages of principal

amount) set forth below, *plus* accrued and unpaid interest, if any, on the 2029 Notes redeemed to, but not including, the applicable date of redemption, if redeemed during the twelve-month period beginning on September 1 of the years indicated below (subject to the rights of holders of 2029 Notes on the relevant record date to receive interest on the relevant interest payment date):

Year	Percentage
2024	102.813%
2025	101.406%
2026 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the 2029 Notes or portions thereof called for redemption on the applicable redemption date.

In connection with any tender offer or other offer to purchase for all of the 2029 Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding 2029 Notes validly tender and do not validly withdraw such 2029 Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the 2029 Notes validly tendered and not validly withdrawn by such holders, the Issuer or such third party will have the right upon not less than 15 nor more than 60 days' notice following such purchase date, to redeem all 2029 Notes, that remain outstanding following such purchase at a price equal to the price paid to each other holder in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption.

2031 Notes

At any time prior to September 1, 2024, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount then outstanding of the 2031 Notes issued under the indenture, upon not less than 15 nor more than 60 days' prior written notice to the holders and the trustee, at a redemption price equal to 105.875% of the principal amount of the 2031 Notes redeemed, *plus* accrued and unpaid interest, if any, to, but not including, the date of redemption (subject to the rights of holders of the 2031 Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering; *provided* that:

(1) at least 50% of the aggregate principal amount of the 2031 Notes originally issued under the indenture (excluding 2031 Notes held by the Issuer and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs prior to 180 days after the date of the closing of such Equity Offering.

At any time prior to September 1, 2026, the Issuer, at its option, may on one or more occasions redeem all or a part of the 2031 Notes, upon not less than 15 nor more than 60 days' prior written notice to the holders and the trustee, at a redemption price equal to 100% of the principal amount of 2031 Notes redeemed *plus* the 2031 Notes Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the date of redemption (subject to the rights of holders of 2031 Notes on the relevant record date to receive interest due on the relevant payment date).

Except pursuant to the two preceding paragraphs, the 2031 Notes will not be redeemable at the Issuer's option prior to September 1, 2026. On or after September 1, 2026, the Issuer may on any one or more occasions redeem all or a part of the 2031 Notes, upon not less than 15 nor more than 60 days' prior written notice to the holders and the trustee, at the redemption prices (expressed as percentages of principal amount) set forth below, *plus* accrued and unpaid interest, if any, on the 2031 Notes redeemed to, but not including, the applicable date of redemption, if redeemed during the twelve-month period beginning on September 1 of the years indicated below (subject to the rights of holders of 2031 Notes on the relevant record date to receive interest on the relevant interest payment date):

Year	Percentage
2026	102.938%
2027	101.958%
2028	100.979%
2029 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the 2031 Notes or portions thereof called for redemption on the applicable redemption date.

In connection with any tender offer or other offer to purchase for all of the 2031 Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding 2031 Notes validly tender and do not validly withdraw such 2031 Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the 2031 Notes validly tendered and not validly withdrawn by such holders, the Issuer or such third party will have the right upon not less than 15 nor more than 60 days' notice following such purchase date, to redeem all 2031 Notes, that remain outstanding following such purchase at a price equal to the price paid to each other holder in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption.

Notice of Redemption

Notice of any redemption of any series of Notes (including upon an Equity Offering, financing transaction, or in connection with a transaction (or series of related transactions) or an event that constitutes a Change of Control) may, at the Issuer's discretion, be given prior to the completion or the occurrence thereof and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion or occurrence of the related transaction or event, as the case may be. In addition, if such redemption or purchase is subject to the satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Special Mandatory Redemption

Except under the circumstances described under the caption "— Escrow of Proceeds; Escrow Release Condition," the Issuer is not required to make mandatory repayments or sinking fund payments with respect to any series of Notes.

If (i) the Escrow Release Condition has not been satisfied on or prior to the Termination Date, or (ii) the Escrow Issuers and the Financial Adviser notify the Escrow Agent and the Trustee in writing that the Escrow Release Condition will not be satisfied on or prior to the Termination Date, (each of the above, a "Special Mandatory Redemption Event"), then the Escrow Agent shall, upon receipt of a notice from the trustee in accordance with the Cash Confirmed Escrow Agreement notifying the Escrow Agent, among others, of the Special Mandatory Redemption Event, liquidate and release the Escrowed Property from the applicable Escrow Accounts (including investment earnings thereon and proceeds thereof, if any) to the trustee, the amounts sufficient to redeem the Notes (the "Special Mandatory Redemption") on the fifth (5^{th}) Business Day following the Special Mandatory Redemption Event (such date, the "Special Mandatory Redemption Date") or as otherwise required by the applicable procedures of DTC, at a redemption price (the "Special Mandatory Redemption Price") equal to 100% of the initial issue price of the Notes, *plus* accrued and unpaid interest from the Issue Date or the most recent date to which interest has been paid or duly provided for on the Notes, as the case may be, to, but excluding, the Special Mandatory Redemption

Date. On the Special Mandatory Redemption Date, the Escrow Agent will pay to the Escrow Issuers any Escrowed Property in excess of the amount necessary to effect the Special Mandatory Redemption for the Notes.

Pursuant to the Escrow Agreements, on the Business Day prior to the Special Mandatory Redemption Date, the Escrow Agent will release in immediately available funds to the trustee for payment to each holder of the Notes of each series the Special Mandatory Redemption Price for such holder's Notes. In addition, on the Special Mandatory Redemption Date, the Escrow Agent will release to the Escrow Issuers any Escrowed Property from the applicable Escrow Accounts (including investment earnings thereon and proceeds thereof, if any) in excess of the amount necessary to effect the Special Mandatory Redemption on such Notes on the Special Mandatory Redemption Date. For the avoidance of doubt, it is acknowledged and agreed that in no event shall the trustee or the Escrow Agent have any responsibility for determining or verifying the accuracy of the Special Mandatory Redemption Price.

Activities Prior to the Release Date

Each of the Escrow Issuers is a limited purpose entity. On the Issue Date, and prior to the Escrow Release Date, each of the Escrow Issuers' primary activities will be restricted to (i) performing their respective obligations in respect of the Notes, the indenture, and the Escrow Agreements, (ii) redeeming the Notes, if applicable, pursuant to mandatory redemption provisions, (iii) implementing the Gamesys Acquisition and taking any actions related thereto and (iv) conducting such other activities as are necessary or appropriate to carry out the foregoing activities. Prior to the Escrow Release Date, none of the Escrow Issuers will issue any Indebtedness other than the Notes, or own, hold or otherwise have any interest in any assets other than the Escrow Accounts and cash or Cash Equivalents.

Gaming Disposition, Redemption and Other Matters

Each holder, by accepting a Note of any series, shall be deemed to have agreed that, if any Gaming/Racing Authority requires that a Person who is a holder or the beneficial owner of any series of Notes apply for and obtain a Gaming/Racing License or otherwise be registered, licensed, qualified, found suitable or respond to any other regulatory inquiry under applicable Gaming/Racing Laws (a "Holder Gaming Requirement"), such holder or beneficial owner, as the case may be, shall comply with such Holder Gaming Requirement in accordance with such Gaming Laws. If such Person fails to comply with a Holder Gaming Requirement, the Issuer shall have the right, at its option:

(1) to require such holder to dispose of its Notes of each applicable series or beneficial interest therein within 30 days of receipt of notice of the Issuer's election or by such earlier date as may be requested or prescribed by such Gaming/Racing Authority; or

(2) to redeem such Notes of each applicable series, upon not less than 30 days' prior written notice to the affected holder and the trustee (or by such earlier date as may be requested or prescribed by such Gaming/Racing Authority), at a redemption price equal to:

    (a) the lesser of:

        (i) the holder's cost for such Notes of each applicable series, *plus* accrued and unpaid interest, if any, to the earlier of the date of redemption and the date of the finding of unsuitability or failure to comply with the Holder Gaming Requirement; and

        (ii) 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the earlier of the date of redemption and the date of the finding of unsuitability or failure to comply with the Holder Gaming Requirement; or

    (b) such other amount as may be required by applicable law or order of the Gaming/Racing Authority.

The Issuer shall notify the trustee in writing of any such disqualified holder status or redemption as soon as practicable. Neither the Issuer nor the trustee shall be responsible for any costs or expenses any holder or beneficial owner may incur in connection with its registration, application for a license, qualification

or a finding of suitability, or any renewal or continuation of the foregoing or compliance with any other requirement of a Gaming/Racing Authority. Those costs and expenses will be the obligations of the holder or beneficial owner, as applicable.

Repurchase at the Option of Holders

Change of Control

If, following the Escrow Release Date: (i) a Change of Control (if, at the Change of Control Time, the Notes of the applicable series do not have Investment Grade Status) or (ii) a Change of Control Triggering Event (if, at the Change of Control Time, the Notes of the applicable series have Investment Grade Status), occurs with respect to any series of Notes, each holder of Notes of such series will have the right to require the Issuer to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of that holder's Notes of such series pursuant to a Change of Control Offer on the terms set forth in the indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Notes of the applicable series repurchased, *plus* accrued and unpaid interest, if any, on the Notes of the applicable series repurchased to, but not including, the date of purchase, subject to the rights of holders of Notes of such series on the relevant record date to receive interest due on the relevant interest payment date. Within 10 business days following any Change of Control, the Issuer will mail a notice to each holder and the trustee (or send electronically in accordance with the applicable procedures of DTC in the case of Notes of the applicable series in global form) describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Notes of the applicable series on the Change of Control Payment Date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes of each applicable series as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes of the applicable series or portions of Notes of such series properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes of the applicable series or portions of Notes of such series properly tendered; and

(3) deliver or cause to be delivered to the trustee the Notes of the applicable series properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes of the applicable series or portions of Notes of such series being purchased by the Issuer.

The paying agent will promptly send to each holder of Notes of each applicable series properly tendered the Change of Control Payment for such Notes of such applicable series, and upon receipt of a written direction, the trustee will promptly authenticate and mail (or cause to be transferred by book entry in accordance with the applicable procedures of DTC) to each holder a new note equal in principal amount to any unpurchased portion of the Notes of the applicable series surrendered, if any. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control, the indenture does not contain provisions that permit the holders of the Notes of each applicable series to require that the Issuer repurchase or redeem the Notes of such series in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes of the applicable series properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given pursuant to the indenture as described above under the caption "— Optional Redemption," unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes of any series validly tender and do not withdraw such Notes of such series in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right, upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes of the applicable series that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof *plus* accrued and unpaid interest to, but not including, the date of redemption (subject to the right of holders of record of Notes of the applicable series on the relevant record date to receive interest due on the relevant interest payment date).

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes of any series to require the Issuer to repurchase its Notes of the applicable series as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

The Senior Credit Facilities will provide, and other future credit agreements or other agreements relating to secured Indebtedness to which the Issuer (or one of its Affiliates) becomes a party may provide, that certain Change of Control events with respect to the Issuer would constitute a default thereunder (including Change of Control under the indenture). If we experience a change of control event that triggers a default under our Senior Credit Facilities and/or such other agreements, we could seek a waiver of such default or seek to refinance our Senior Credit Facilities and/or such other agreements. In the event we do not obtain such a waiver or refinance the Senior Credit Facilities and/or such other agreements, such default could result in amounts outstanding under our Senior Credit Facilities and/or such other agreements being declared due and payable.

Asset Sales

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Issuer (or such Restricted Subsidiary, as the case may be) receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) as determined in good faith by the Issuer, of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration from such Asset Sale received by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) (i) any liabilities, as shown on the Issuer's most recent consolidated balance sheet, of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets

pursuant to a customary novation or indemnity agreement that releases the Issuer or such Restricted Subsidiary from or indemnifies against further liability or that are otherwise cancelled or terminated as a result of payment by the buyer in such Asset Sale in connection with the transaction with the transferee and (ii) in the case of any Interactive Unrestricted Subsidiary Sale, any liabilities (as shown on the Issuer's or any Interactive Unrestricted Subsidiary's, as applicable, most recent balance sheet or in the notes thereto) of the Issuer or any Interactive Unrestricted Subsidiary, as applicable, that are assumed by the transferee of any such assets or that are otherwise cancelled or terminated in connection with the transaction with such transferee;

(b) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are within 180 days following the closing of such Asset Sale converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents actually so received;

(c) (i) Indebtedness (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or a Note Guarantee) of any Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from any Guarantee of or other liability on account of such Indebtedness and (ii) in the case of any Interactive Unrestricted Subsidiary, Indebtedness of any Interactive Unrestricted Subsidiary, that is no longer a Subsidiary of the Issuer as a result of such Asset Sale;

(d) any Designated Non-Cash Consideration received by the Issuer or such Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d) that is at the time outstanding, not to exceed an amount equal to the greater of (x) $141.0 million and (y) 22.5% of the Issuer's Consolidated EBITDA (determined as of the date of the definitive agreement with respect to such Asset Sale), with the fair market value of each item of Designated Non-Cash Consideration being measured as of the date of the definitive agreement with respect to such Asset Sale and without giving effect to subsequent changes in value; and

(e) any stock or assets of the kind referred to in clauses (2), (3) or (4) of the next paragraph of this covenant.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may apply an amount equal to such Net Proceeds:

(1) to permanently repay, prepay, redeem or purchase:

(a) Obligations under (i) the Senior Credit Facilities (and, in the case of revolving obligations, permanently reduce commitments with respect thereto); (ii) other secured Indebtedness of the Issuer, if applicable (other than any Disqualified Stock), or secured Indebtedness of any Guarantor and (iii) other Indebtedness of a non-Guarantor Restricted Subsidiary; and/or

(b) Obligations under the indenture governing the Notes, the Notes and the Note Guarantees or any other Pari Passu Debt of the Issuer or any Guarantor; *provided* that if the Issuer or any Restricted Subsidiary shall so repay or prepay any such other Pari Passu Debt, the Issuer will reduce (or offer to reduce) Obligations under the indenture governing the Notes, the Notes and the Note Guarantees on a pro rata basis (based on the amount so applied to such repayments or prepayments) by, at its option, (i) redeeming Notes of any series pursuant to the caption "— Optional Redemption", (ii) making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase their Notes of any series; or (iii) purchasing Notes of any series through privately negotiated transactions or open market purchases in a manner that complies with the indenture governing the Notes and applicable securities law at a purchase price of at least 100% of the principal amount thereof, *plus* the amount of accrued but unpaid interest thereon up to the principal amount of Notes of the applicable series to be repurchased;

(2) to acquire all or substantially all of the assets of, or any Capital Stock of, one or more other Persons engaged in a Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Issuer;

(3) to make capital expenditures or to make other expenditures for maintenance, repair or improvement of existing properties and assets;

(4) to acquire other assets and properties (including fee and leasehold interests) that are used or useful in a Permitted Business, or that replace, in whole or in part, the properties or assets that are the subject of such Asset Sale; or

(5) any combination of the foregoing;

provided, *however*, that if the Issuer or any Restricted Subsidiary contractually commits within such 365 day period to apply the Net Proceeds within 180 days of such contractual commitment in accordance with any of the above clauses (1) through (5) (an "Acceptable Commitment"), and such Net Proceeds are subsequently applied as contemplated by such contractual commitment, then the requirement for the application of Net Proceeds set forth in this paragraph shall be considered satisfied, and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, then such Net Proceeds shall constitute Excess Proceeds (defined below) unless the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment within 180 days of such cancellation or termination (a "Second Commitment") and such Net Proceeds are actually applied in such manner within such 180 days; *provided, further*, that if any Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds to the extent the Asset Sale Proceeds Application Period has expired.

Pending the final application of any Net Proceeds, the Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds from Asset Sales in any manner that is not prohibited by the indenture.

Following the Escrow Release Date, any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "Excess Proceeds." Within 20 business days (or earlier at the Issuer's option) after the aggregate amount of Excess Proceeds exceeds $150.0 million, the Issuer will make an offer (an "Asset Sale Offer") to all holders of Notes (with a copy to the trustee) and all holders of other Pari Passu Debt containing provisions similar to those set forth in the indenture with respect to offers to purchase, prepay or redeem with the proceeds of sales of assets to purchase, prepay or redeem the maximum principal amount of Notes of any series and such other Pari Passu Debt (*plus* all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount, *plus* accrued and unpaid interest, if any, to, but not including, the date of purchase, prepayment or redemption, subject to the rights of holders of Notes of the applicable series on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. The Issuer may satisfy the foregoing obligation with respect to Net Proceeds from an Asset Sale by making an Asset Sale Offer in advance of being required to do so by the indenture (an "Advance Offer") with respect to all or part of the available Net Proceeds (the "Advance Portion"). If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of Notes of the applicable series and other Pari Passu Debt tendered into (or required to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Issuer will select the Notes of the applicable series and such other Pari Passu Debt to be purchased on a *pro rata* basis or by lot (and, in the case of notes in global form, in accordance with the applicable procedures of DTC), based on the amounts tendered or required to be prepaid or redeemed (with such adjustments as may be deemed appropriate by the Issuer so that only Notes of the applicable series in minimum denominations of $2,000, or an integral multiple of $1,000 in excess thereof, will be left outstanding). Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero (regardless of whether there are any remaining Excess Proceeds upon such completion), and in the case of an Advance Offer, the Advance Portion shall be excluded in subsequent calculation of Excess Proceeds.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes of each applicable series pursuant to a Change of Control Offer or an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control or Asset Sale provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control or Asset Sale provisions of the indenture by virtue of such compliance.

The agreements governing other Indebtedness of the Issuer and its Restricted Subsidiaries, including the indenture governing the Notes offered hereby, contain, the Senior Credit Facilities will contain and future agreements will likely contain, prohibitions of certain events, including events that would constitute a Change of Control or an Asset Sale. The exercise by the holders of Notes of any series of their right to require the Issuer to repurchase the Notes of the applicable series upon a Change of Control or Asset Sale could cause a default under these other agreements, even if the Change of Control or Asset Sale itself does not, due to the financial effect of such repurchases on the Issuer. In the event a Change of Control or Asset Sale occurs at a time when the Issuer is prohibited from purchasing Notes of any series, the Issuer could seek the consent of its lenders to the purchase of Notes of the applicable series or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain a consent or repay those borrowings, the Issuer will remain prohibited from purchasing Notes of the applicable series. In that case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the indenture which could, in turn, constitute a default under the other indebtedness. Finally, the Issuer's ability to pay cash to the holders of Notes the applicable series upon a repurchase may be limited by the Issuer's then existing financial resources. See "Risk Factors — Risks Relating to the Notes and the Note Guarantees — We may not be able to finance the repurchase of the notes required by the indenture governing the notes upon the occurrence of certain change of control events."

For the avoidance of doubt, the Issuer shall cause any Interactive Unrestricted Subsidiary that receives Interactive Unrestricted Subsidiary Sale Proceeds to promptly distribute the Net Proceeds thereof to the Issuer or a Restricted Subsidiary for application in accordance with this covenant.

Selection and Notice

If less than all of the Notes of any series are to be redeemed at any time, the trustee will select Notes of the applicable series for redemption on a *pro rata* basis or by lot (or, in the case of Notes of any series issued in global form as discussed under "— Book Entry, Delivery and Form," in accordance with the applicable procedures of DTC) unless otherwise required by law or applicable stock exchange or depositary requirements.

No Notes of any series of $2,000 or less can be redeemed in part. The Issuer will mail notices of redemption by first class mail (or send such notices electronically in accordance with the applicable procedures in the case of Notes of any series in global form) at least 15 but not more than 60 days before the redemption date to each holder of Notes of the applicable series to be redeemed at its registered address (with a copy to the trustee), except that redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the indenture.

If any Note of any series is to be redeemed in part only, the notice of redemption that relates to that Note of such series will state the portion of the principal amount of that Note of the applicable series that is to be redeemed. A new Note of any series in principal amount equal to the unredeemed portion of the original Note of such series will be issued in the name of the holder of Notes of the applicable series upon cancellation of the original Note. Notes of any series called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes of any series or portions of Notes of such series called for redemption unless the Issuer defaults in the payment of the redemption price.

Financial calculations for Limited Condition Transactions

When calculating the availability under any basket or ratio under the indenture, in each case in connection with a Limited Condition Transaction and other transactions in connection therewith (including

any incurrence or issuance of Indebtedness, Disqualified Stock or preferred stock and the use of proceeds thereof), the date of determination of such basket or ratio and of any Default or Event of Default may, at the option of the Issuer, be the date the definitive agreement(s) for such Limited Condition Transaction is entered into. Any such ratio or basket shall be calculated on a Pro Forma Basis, after giving effect to such Limited Condition Transaction and other transactions in connection therewith (including any incurrence or issuance of Indebtedness, Disqualified Stock or preferred stock and the use of proceeds thereof) as if they had been consummated at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Transaction; *provided* that if the Issuer elects to make such determination as of the date of such definitive agreement(s), then (x) the Issuer shall be deemed to be in compliance with such ratios or baskets solely for purposes of determining whether the Limited Condition Transaction and other transactions in connection therewith (including any incurrence or issuance of Indebtedness, Disqualified Stock or preferred stock and the use of proceeds thereof), is permitted under the indenture, and (y) such ratios or baskets shall not be tested at the time of consummation of such Limited Condition Transaction or related transactions; *provided, further*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement(s), any such transactions (including any incurrence or issuance of Indebtedness, Disqualified Stock or preferred stock and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreement(s) is entered into and shall be deemed outstanding thereafter for purposes of calculating any ratios or baskets under the indenture after the date of such definitive agreement(s) and before the consummation of such Limited Condition Transaction, unless such definitive agreement(s) is terminated or such Limited Condition Transaction or incurrence or issuance of Indebtedness, Disqualified Stock or preferred stock or such other transaction to which pro forma effect is being given does not occur.

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

Set forth below are certain covenants contained in the indenture. During any period of time that:

(1) the Notes of any series have Investment Grade Status, and

(2) no Default or Event of Default has occurred and is continuing under the indenture with respect to the Notes of such series,

the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the indenture with respect to the Notes of such series described under "— Repurchase at the Option of Holders — Asset Sales," "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock," and "— Certain Covenants — Restricted Payments," (collectively, the "Suspended Covenants"); *provided*, *that* with respect to those covenants that will remain in effect (the "Effective Covenants"), references in such Effective Covenants to clauses in the Suspended Covenants will be deemed to continue to exist for purposes of interpretation of the Effective Covenants.

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants with respect to the Notes of any series for any period of time as a result of the preceding sentence and, subsequently, at least one of the two designated Rating Agencies withdraws its rating or assigns the Notes of such series a rating below the required Investment Grade Ratings (such date, the "Reversion Date"), then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants for the benefit of the Notes of such series. The period of time between the date of the suspension of the covenants and the Reversion Date is referred to as the "Suspension Period."

On each Reversion Date, all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified as having been incurred or issued pursuant to the first paragraph of the covenant described under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" or one of the clauses set forth in the second paragraph of the covenant described under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" (to the extent such Indebtedness or Disqualified Stock or Preferred Stock would be permitted to be incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such

Indebtedness or Disqualified Stock or Preferred Stock would not be so permitted to be incurred or issued pursuant to the first paragraph or the second paragraph of the covenant described below under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock," such Indebtedness or Disqualified Stock or Preferred Stock will be deemed to have been Existing Indebtedness, so that it is classified as permitted under clause (2) of the second paragraph of the covenant described below under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock."

Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under the reinstated covenant "— Certain Covenants — Restricted Payments" covenant will be made as though such covenant had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of "— Certain Covenants — Restricted Payments." Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred on the Reversion Date solely as a result of any actions taken by the Issuer or its Restricted Subsidiaries during the Suspension Period. For purposes of "— Repurchase at the Option of Holders — Asset Sales," on the Reversion Date, the unutilized Excess Proceeds amount will be reset to zero.

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants with respect to the Notes of any series for any period of time as described above, during such period no Restricted Subsidiary may be designated as an Unrestricted Subsidiary.

There can be no assurance that the Notes of any series will ever achieve or maintain Investment Grade Status. The trustee shall have no duty to monitor the ratings of the Notes of any series, determine whether a Suspension Period or Reversion Date has occurred or notify holders of any of the foregoing.

Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer and other than dividends or distributions payable to the Issuer or a Restricted Subsidiary of the Issuer);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer, any direct or indirect parent of the Issuer or any Restricted Subsidiary) any Equity Interests of the Issuer or any Restricted Subsidiary (other than Disqualified Stock within one year of the Stated Maturity thereof or any such Equity Interests held by the Issuer, any direct or indirect parent of the Issuer or a Restricted Subsidiary of the Issuer);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or to any Note Guarantee (excluding any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof or a purchase, repurchase, or other acquisition of Indebtedness subordinated in right of payment to the Notes or any Note Guarantee made in contemplation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, redemption or other acquisition; or

(4) make any Restricted Investment

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Event of Default shall have occurred and be continuing or would occur as a consequence of such Restricted Payment;

(b) the Issuer would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock;" and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2) through (19) of the next succeeding paragraph), is less than the sum, without duplication, of:

(1) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the fiscal quarter in which the Notes are initially issued to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(2) 100% of the aggregate net cash proceeds and the fair market value (as determined in good faith by the Issuer) of marketable securities or other property received by the Issuer and its Restricted Subsidiaries since the Issue Date as a contribution to its equity capital or from the issue or sale of:

(a) Qualifying Equity Interests of the Issuer or from the issue or sale of convertible or exchangeable Disqualified Stock of the Issuer or convertible or exchangeable debt securities of the Issuer, in each case that have been converted into or exchanged for Qualifying Equity Interests of the Issuer (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Issuer);

(b) Qualifying Equity Interests to any future, current or former officer, director, employee or consultant (or family members, spouses or former spouses, heirs of, estates of or trusts formed by such persons) of the Issuer or its Subsidiaries (excluding contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (10) of the next succeeding paragraph); *plus*

(3) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold or otherwise cancelled, liquidated or repaid for value, or results in, or is otherwise returned or reduced by, the payment of principal, interest, dividends or distributions, or repayments of loans or advances, or other transfers of assets, or the satisfaction, release, expiration, cancellation or reduction (other than by means of payments by the Issuer or a Restricted Subsidiary) of Indebtedness or other obligations (including any such Indebtedness or other obligations guaranteed by the Issuer or any of its Restricted Subsidiaries), or any payments under management contracts or services agreements, or (b) made in an entity that subsequently becomes a Restricted Subsidiary of the Issuer or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, the amount of any such cash payment or the Fair Market Value of any such Property so received in a transaction described in clause (a) and, in the case of clause (b) the Fair Market Value of such Restricted Investment; *plus*

(4) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Issuer's Restricted Investment in such Subsidiary as of the date of such redesignation; *plus*

(5) 100% of any dividends or distributions received in cash and 100% of the Fair Market Value of any Property received in any such dividend or distribution by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary of the Issuer, to the extent that such dividends were not otherwise included in the Consolidated Net Income of the Issuer for such period; *plus*

(6) 100% of any remaining Excess Proceeds after the completion of an Asset Sale Offer (assuming such Excess Proceeds were not reset at zero); *plus*

(7) $250.0 million.

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable repurchase, redemption, defeasance or other acquisition or retirement within 60 days after the date of declaration of the dividend or giving of the notice of repurchase, redemption, defeasance or other acquisition or retirement, as the case may be, if at the date of declaration or notice, the dividend or repurchase, redemption, defeasance or other acquisition or retirement would have complied with the provisions of the indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock) or from the substantially concurrent contribution of equity capital to the Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will not be considered to be net proceeds of Qualifying Equity Interests for purposes of clause (c)(2) of the preceding paragraph and will not be considered to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the indenture;

(3) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests on a *pro rata* basis or on a basis that is more favorable to the Issuer and its Restricted Subsidiaries;

(4) the repurchase, redemption, defeasance (whether by covenant or legal defeasance) or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or to any Note Guarantee or any Disqualified Stock of the Issuer or any Restricted Subsidiary thereof (including all accrued interest on the Indebtedness, all accrued and unpaid dividends on Disqualified Stock, and the amount of all penalties, fees, costs, expenses, discounts and premiums incurred in connection therewith and any original issue discount or debt issuance costs with respect thereto) in exchange for or with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness or through conversion of such Indebtedness or Disqualified Stock into, or exchange of such Indebtedness or Disqualified Stock for Equity Interests;

(5) repurchases of Indebtedness of the Issuer or any Guarantor that is unsecured or contractually subordinated in right of payment to the Notes or a Note Guarantee at a purchase price not greater than (i) 101% of the principal amount of such subordinated Indebtedness in the event of a Change of Control or (ii) 100% of the principal amount of such subordinated Indebtedness in the event of an Asset Sale, in each case, *plus* accrued and unpaid interest thereon, to the extent required by the terms of such Indebtedness, but only if:

(a) in the case of a Change of Control, the Issuer has first complied with and fully satisfied its obligations under the provisions described under "— Repurchase at the Option of Holders — Change of Control"; or

(b) in the case of an Asset Sale, the Issuer has complied with and fully satisfied its obligations under the provisions described under "— Repurchase at the Option of Holders — Asset Sales";

(6) the payment of amounts necessary to repurchase or retire Indebtedness or Equity Interests of the Issuer or any Subsidiary to the extent required by any Gaming/Racing Authority or deemed necessary by the Board of Directors of the Issuer in order to avoid the suspension, revocation or denial of a Gaming/Racing License by any Gaming/Racing Authority;

(7) the repurchase of Equity Interests deemed to occur upon the exercise, conversion or exchange of stock options, warrants, other rights to acquire Equity Interests or other convertible or exchangeable

securities if such Equity Interests represent all or a portion of the exercise price thereof or upon the grant, vesting or exercise of restricted stock, restricted stock units or similar equity incentives to satisfy tax withholding or similar tax obligations with respect thereto;

(8) the payment, by the Issuer, of cash in lieu of the issuance of fractional shares upon the exercise of any option, warrant or similar instrument or upon the conversion or exchange of Equity Interests of the Issuer;

(9) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary of the Issuer issued on or after the Issue Date in accordance with the Fixed Charge Coverage Ratio test described below under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock;"

(10) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary of the Issuer held by any current or former officer, director, employee or consultant (or family members, spouses or former spouses, heirs of, estates of or trusts formed by such persons) of the Issuer or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, employment agreement, severance agreement, shareholders' agreement or similar agreement; *provided* that the aggregate amount of payments made under this clause may not exceed in any fiscal year of the Issuer the greater of (x) $31.0 million and (y) 5.0% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date (with unused amounts in any fiscal year being carried over to succeeding fiscal years) in any twelve-month period;

(11) so long as no Default or Event of Default has occurred and is continuing, any repurchases, or any other transaction involving a Restricted Payment, of the Issuer's Equity Interests in an aggregate amount not to exceed $250.0 million;

(12) the distribution, as a dividend or otherwise, of Equity Interests of, or Indebtedness owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries;

(13) payments and distributions to dissenting shareholders pursuant to applicable law, pursuant to or in connection with a merger, amalgamation, consolidation or transfer of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, that complies with the terms of the indenture;

(14) any Restricted Payment, so long as (i) immediately before and after giving effect to such Restricted Payment no Event of Default has occurred and is continuing and (ii) after giving effect to such Restricted Payment, the Consolidated Leverage Ratio of the Issuer on a Pro Forma Basis is less than 4.75 to 1.00;

(15) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed the greater of (x) $157.0 million and (y) 25% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(16) the declaration and payment of dividends or distributions by the Issuer or a Restricted Subsidiary to, or the making of loans or advances to, any Parent Entity in amounts required for any Parent Entity, as applicable, to pay, in each case without duplication:

(a) real and personal property taxes, and franchise, excise and similar taxes, and other fees, taxes and expenses required to maintain their corporate or other legal existence;

(b) with respect to any taxable period for which the Issuer and/or any of its Subsidiaries are members of a consolidated, combined, affiliated, unitary or similar tax group of which a Parent Entity is the common parent in an amount not to exceed the amount of any U.S. federal, state and/or local or foreign income or similar taxes that the Issuer and/or its Subsidiaries, as applicable, would have paid for such taxable period had the Issuer and/or its Subsidiaries, as applicable, been a stand-alone corporate taxpayer or a stand-alone corporate group; provided

that distributions pursuant to this clause (b) in respect of an Unrestricted Subsidiary shall be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to the Issuer or any of its Restricted Subsidiaries for such purpose;

(c) (i) customary salary, bonus, severance, expense reimbursement and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers and members of management of any Parent Entity or its Affiliates and any payroll, social security or similar taxes thereof and (ii) general corporate operating, administrative, compliance and overhead costs and expenses of any Parent Entity or its Affiliates, in the case of clauses (i) and (ii), in each case, to the extent such costs, expenses, taxes, salaries, bonuses and other benefits are attributable to the ownership and operation of the Issuer and its Restricted Subsidiaries;

(d) reasonable (as determined in good faith by the Issuer) fees and expenses (other than fees and expenses paid to Affiliates of the Issuer) related to any equity or debt offering of such Parent Entity (whether or not successful); *provided* that all substantially all of the proceeds of such offering are permanently contributed to the capital of the Issuer (or in the case of an unsuccessful offering, the proceeds of such offering were intended to be permanently contributed to the capital of the Issuer); and

(e) payments of interest and/or principal on Indebtedness, the proceeds of which have been contributed to the Issuer or any Restricted Subsidiary and that has been guaranteed by, or is otherwise, considered Indebtedness of, the Issuer incurred in accordance with the covenant described under "— Incurrence of Indebtedness and Issuance of Preferred Stock," to the extent such payments are not otherwise prohibited hereunder;

(17) the payment of dividends on the common stock of the Company of up to 6.0% per annum of the net proceeds received by the Company from any public offering of common stock of the Company, other than public offerings with respect to the Company's common stock registered on Form S-4 or Form S-8;

(18) payments made in connection with the Gamesys Acquisition, as required by the Rule 2.7 Announcement dated April 13, 2021 related to the Gamesys Acquisition or as otherwise described in this offering memorandum; and

(19) payments constituting a Permitted Reorganization Transaction by the Issuer and/or its Restricted Subsidiaries.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment or Investment (or a portion thereof) meets the criteria of more than one of the categories described in clauses (1) through (19) above, or is permitted pursuant to the first paragraph of this covenant or pursuant to any of clauses (1) through (28) of the definition of "Permitted Investments," the Issuer will be entitled to divide or classify such Restricted Payment or Investment (or, in each case, portion thereof) on the date of its payment or later divide, classify, or reclassify, in whole or in part in its sole discretion, such Restricted Payment or Investment (or, in each case, portion thereof) in any manner that complies with this covenant.

If any Person in which an Investment is made, which Investment constitutes a Restricted Payment when made, thereafter becomes a Restricted Subsidiary in accordance with the indenture, all such Investments previously made in such Person shall be Permitted Investments under clause (3) of the definition thereof, and for the avoidance of doubt, all such Investments shall no longer be counted as Restricted Payments pursuant to clause (c) of the first paragraph under this "— Restricted Payments" covenant, in each case, to the extent such Investments would otherwise be so counted.

Incurrence of Indebtedness and Issuance of Subsidiary Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or

otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that the Issuer may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) or issue preferred stock, if the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would have been at least 2.00 to 1.00, determined on a Pro Forma Basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period; *provided, further*, that Restricted Subsidiaries that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or preferred stock pursuant to this paragraph if, after giving pro forma effect to such incurrence or issuance (including a pro forma application of the net proceeds therefrom), the aggregate principal amount of Indebtedness or Disqualified Stock or preferred stock of Restricted Subsidiaries that are not Guarantors incurred pursuant to this paragraph, together with amounts incurred under clauses (17) and (20) of this covenant by Restricted Subsidiaries that are not Guarantors, that would be outstanding at such time would exceed the greater of (x) $157.0 million and (y) 25.0% of Consolidated EBITDA for such Test Period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by the Issuer or any Guarantor (and/or the guarantee thereof by the Issuer or any Guarantor) of Indebtedness and letters of credit under the Senior Credit Facilities or other Credit Facilities; provided that the aggregate principal amount of all such Indebtedness outstanding under this clause (1) as of any date of incurrence (after giving pro forma effect to the application of the proceeds of such incurrence), including all Permitted Refinancing Indebtedness incurred to repay, redeem, extend, refinance, renew, replace, defease or refund any Indebtedness incurred pursuant to this clause (1), shall not exceed the greater of (i) $2,700.0 million and (ii) 4.0 times Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date of the Issuer and its Restricted Subsidiaries for the 12-month period ended at the end of the most recent fiscal quarter for which financial statements are available, to be reduced dollar-for-dollar by the aggregate amount of all Net Proceeds from Asset Sales applied by the Issuer or any of its Restricted Subsidiaries to permanently repay Indebtedness under the Credit Facilities pursuant to the covenant described above under the caption "— Repurchase at the Option of Holders — Asset Sales";

(2) Indebtedness of the Issuer and its Restricted Subsidiaries in existence or committed on the Issue Date or on the Escrow Release Date;

(3) the incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes to be issued on the Issue Date and the related Note Guarantees;

(4) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, FF&E Financing, mortgage financings or purchase money obligations or other Indebtedness, in each case, incurred in connection with capital expenditures or for the purpose of financing all or any part of the purchase price or cost of design, construction, installation, renovation, repair, expansion, replacement, refurbishment or improvement of property (real or personal), plant or equipment used or useful in the business of the Issuer or any of its Restricted Subsidiaries, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4) not to exceed the greater of $235.0 million and 37.5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(5) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance,

replace, defease or discharge, any Indebtedness (other than intercompany Indebtedness) that was permitted by the indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5) or (17) of this paragraph;

(6) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries; *provided, however*, that

(a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the Note Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any of the Issuer's Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however,* that (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business;

(9) the incurrence of Escrowed Indebtedness;

(10) the incurrence of Indebtedness that has been Discharged;

(11) the guarantee by the Issuer or any of the Guarantors of Indebtedness of the Issuer or a Restricted Subsidiary of the Issuer to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(12) the incurrence by the Issuer or any of the Restricted Subsidiaries of Indebtedness in respect of bid, payment or other performance bonds, surety bonds, release, appeal and similar bonds, statutory obligations, workers' compensation claims, self-insurance obligations, bankers' acceptances, completion guarantees and letters of credit provided by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business (including to support the Issuer's or any of its Restricted Subsidiaries' applications for Gaming/Racing Licenses or for the purposes referenced in this clause (12)), and reimbursement obligations in respect of the foregoing;

(13) the incurrence by the Issuer or any of the Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five business days;

(14) the incurrence by the Issuer or any of its Restricted Subsidiaries arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(15) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness deemed to exist pursuant to the terms of a Joint Venture agreement as a result of a failure of the Issuer or such Restricted Subsidiary to make a required capital contribution therein; *provided* that the only

recourse on such Indebtedness is limited to the Issuer's or such Restricted Subsidiary's equity interests in the related Joint Venture;

(16) Indebtedness arising from agreements of the Issuer or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with any Investments or any acquisition or disposition of any business, assets or a subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or subsidiary for the purpose of financing that acquisition;

(17) Acquired Debt and other Indebtedness of Persons outstanding on the date on which such Person became a Restricted Subsidiary or was acquired by, or merged into, the Issuer or any of its Restricted Subsidiaries or incurred or issued to finance a merger consolidation or other acquisition; provided, however, that (A) at the time such Person is acquired, either (i) the Issuer would have been able to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of this covenant on a Pro Forma Basis after giving effect to the incurrence of such Acquired Debt or Indebtedness pursuant to this clause (17) or (ii) on a Pro Forma Basis, the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries would be no lower than such ratio immediately prior to such acquisition or merger or (B) such Indebtedness is Indebtedness of a Restricted Subsidiary that existed at the time such Person became a Subsidiary and was not created in contemplation thereof; *provided*, *further*, that Restricted Subsidiaries that are not Guarantors may not incur Indebtedness pursuant to this clause (17) if, on a Pro Forma Basis, the aggregate principal amount of Indebtedness of Restricted Subsidiaries that are not Guarantors incurred pursuant to this clause (17), together with amounts incurred pursuant to clause (20) of this covenant by Restricted Subsidiaries that are not Guarantors that would be outstanding at such time would exceed (x) $110.0 million and (y) 17.5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(18) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (18) not to exceed the greater of (x) $235.0 million and (y) 37.5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(19) (i) Indebtedness representing deferred compensation to employees of the Issuer or any of its Restricted Subsidiaries incurred in the ordinary course of business, and (ii) Indebtedness consisting of obligations of the Issuer or any of its Restricted Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with any Investment permitted under "— Restricted Payments";

(20) Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries that are not Guarantors, together with amounts incurred and outstanding pursuant to clause (17) of this covenant, in an aggregate principal amount not to exceed the greater of (x) $110.0 million and (y) 17.5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(21) Indebtedness consisting of the financing of insurance premiums;

(22) Indebtedness constituting Development Expenses that are used to finance, or incurred or issued for the purpose of financing, Expansion Capital Expenditures or Development Projects in an aggregate principal amount not to exceed $200.0 million at any time outstanding so longs as no Event of Default shall have occurred and be continuing after giving effect thereto;

(23) Indebtedness, Disqualified Stock or preferred stock of the Issuer or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100% of the net cash proceeds received by the Issuer after the Issue Date from the issue or sale of Equity Interests of the Issuer or cash contributed to the capital of the Issuer (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Issuer or any of its Subsidiaries) as determined in accordance with clause (2) of the second paragraph of "— Certain Covenants — Restricted Payments" to the

extent such net cash proceeds or cash have not been applied pursuant to such clause to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the third paragraph of "— Certain Covenants — Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1), (2) and (3) of the definition thereof);

(24) Indebtedness of Joint Ventures in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof, would not, at any time outstanding, exceed the greater of (x) $94.0 million and (y) 15.0% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(25) Indebtedness of the Issuer or any of its Restricted Subsidiaries supported by a letter of credit issued pursuant to a Senior Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit;

(26) Indebtedness incurred by the Issuer or any of the Restricted Subsidiaries to the extent that the net proceeds thereof are promptly deposited with the trustee to satisfy and discharge the Notes in accordance with the indenture;

(27) (i) guarantees by the Issuer or any Restricted Subsidiary of operating leases (other than Capital Lease Obligations) and Gaming/Racing Leases or of other obligations that do not constitute Indebtedness for borrowed money, in each case entered into by the Issuer or any Subsidiary in the ordinary course of business and (ii) Permitted Non-Recourse Guarantees;

(28) intercompany Indebtedness incurred in connection with any Permitted Reorganization Transactions; and

(29) all premiums (if any, including tender premiums), defeasance costs, interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (28).

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (29) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted to divide or classify (or later divide, classify, or reclassify, in whole or in part in its sole discretion) such item of Indebtedness.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, if and for so long as the Interactive Unrestricted Subsidiaries are Unrestricted Subsidiaries of the Issuer, an incurrence of Indebtedness by the Interactive Unrestricted Subsidiaries shall be deemed to be an incurrence of Indebtedness by one of the Issuer's Restricted Subsidiaries that is not a Guarantor.

In connection with the incurrence or issuance, as applicable, of (x) revolving loan Indebtedness under this covenant or (y) any commitment relating to the incurrence or issuance of Indebtedness, Disqualified Stock or preferred stock under this covenant and the granting of any Lien to secure any such Indebtedness, the Issuer or the applicable Restricted Subsidiary may designate such incurrence or issuance and the granting of any such Lien as having occurred on the date of first incurrence or issuance of such revolving loan Indebtedness or commitment (such date, the "*Deemed Date*"), and any related subsequent actual incurrence or issuance or granting of any such Lien therefor will be deemed for all purposes under the indenture to have been incurred or issued and granted on such Deemed Date, including, without limitation, for purposes of calculating the Fixed Charge Coverage Ratio and usage of any other baskets or ratios under the indenture (as applicable).

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on, or fees with respect to, any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this

covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment shall be included in Fixed Charges of the Issuer as accrued. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness determined on a constant yield to maturity basis over time, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness;

(3) in the case of a Guarantee of Indebtedness, the maximum amount of the Indebtedness guaranteed under such Guarantee; and

(4) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

  (a) the Fair Market Value of such assets subject to such Lien at the date of determination; and

  (b) the amount of the Indebtedness of the other Person secured by such Lien.

Liens

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur or assume any Lien, except a Permitted Lien on or with respect to any of its property or assets including any shares of stock or Indebtedness of any Restricted Subsidiary, whether owned on the Issue Date or thereafter acquired, or any income, profits or proceeds therefrom, unless, in the case of any Lien securing Indebtedness that is contractually subordinate in right of payment to the Notes or the Note Guarantees, the Notes or the Note Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien; and in all other cases, the Notes or the Note Guarantees, as the case may be, are secured on an equal and ratable basis with the obligations secured by such Lien for so long as such obligations are secured by such Lien.

Any Lien created for the benefit of the holders of the Notes pursuant to the preceding paragraph shall provide by its terms that the Lien securing the Notes or the Guarantees, as the case may be, shall automatically and unconditionally be released and discharged upon the release and discharge of such Lien securing such Indebtedness or any sale, exchange or transfer to any Person not an Affiliate of the Issuer of the property or assets secured by such Lien securing such Indebtedness, or all of the Capital Stock held by the Issuer or any Restricted Subsidiary in, or all or substantially all of the properties and assets of, any Restricted Subsidiary that created such Lien securing such Indebtedness, in each case, in accordance with the provisions of the indenture.

For purposes of determining compliance with this covenant, (A) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of permitted Liens (or any portion thereof) described in the definition of "Permitted Liens" or pursuant to the first paragraph of this covenant but may be permitted in part under any combination thereof and (B) in the event that a Lien securing an item of Indebtedness (or any portion thereof) meets the criteria of one or more of the categories of permitted Liens (or any portion thereof) described in the definition of "Permitted Liens" or pursuant to the first paragraph of this covenant, the Issuer may, in its sole discretion, classify or reclassify, or later divide, classify or reclassify (as if incurred or issued at such later time), such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and at the time of incurrence, issuance, classification or reclassification will be entitled to only include the amount and type of such Lien or such item of Indebtedness secured by such Lien (or any portion thereof) in one of the categories of permitted Liens (or any portion thereof) described in the definition of "Permitted Liens" or pursuant to the first paragraph of this

covenant and, in such event, such Lien securing such item of Indebtedness (or any portion thereof) will be treated as being incurred, issued or existing pursuant to only such clause or clauses (or any portion thereof) or pursuant to the first paragraph hereof without giving pro forma effect to such item (or portion thereof) when calculating the amount of Liens or Indebtedness that may be incurred or issued pursuant to any other clause or paragraph (or portion thereof) at such time. In addition, with respect to any revolving loan Indebtedness or commitment relating to the incurrence or issuance of Indebtedness that is designated to be incurred or issued on any date pursuant to the fourth paragraph of the covenant described under "Incurrence of Indebtedness and Issuance of Preferred Stock," any Lien that does or that shall secure such Indebtedness may also be designated by the Issuer or any Restricted Subsidiary to be incurred on such date and, in such event, any related subsequent actual incurrence of such Lien shall be deemed for all purposes under the indenture to be incurred on such prior date, including for purposes of calculating usage of any "Permitted Lien."

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence or issuance of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness that is not deemed to be an incurrence of Indebtedness for purposes of the covenant entitled "Incurrence of Indebtedness and Issuance of Preferred Stock."

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements in effect on the Issue Date or the Escrow Release Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not, in the good faith determination of the Board of Directors of the Issuer, materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date or the Escrow Release Date;

(2) the indenture, the Notes and the Note Guarantees;

(3) agreements governing other Indebtedness permitted to be incurred under the provisions of the covenant described above under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock" and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the restrictions therein are not, in the good faith determination of the Issuer, materially more restrictive, taken as a whole, than those contained in the indenture, the Notes and the Note Guarantees;

(4) (i) any Gaming/Racing Lease (and any guarantee or support arrangement in respect thereof) and (ii) applicable law, rule, regulation or order, including without limitation restrictions imposed by Gaming Authorities;

(5) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such

acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the indenture to be incurred;

(6) customary non-assignment provisions in contracts, licenses and leases entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) any restriction or encumbrance contained in contracts for the sale of assets to be consummated in accordance with the indenture solely in respect of the assets to be sold pursuant to such contract;

(10) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not, in the good faith determination of the Board of Directors of the Issuer, materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(11) Liens permitted to be incurred under the provisions of the covenant described above under the caption "— Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(12) agreements in existence with respect to a Restricted Subsidiary at the time it becomes a Restricted Subsidiary; *provided*, *however*, that such agreements are not entered into in anticipation or contemplation thereof;

(13) provisions limiting the disposition or distribution of assets or property in Joint Venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(14) restrictions on cash or other deposits or net worth made to secure letters of credit or surety or other bonds issued in connection therewith or imposed by customers or suppliers under contracts entered into in the ordinary course of business;

(15) Credit Facilities that, taken as a whole, are, in the good faith determination of the Board of Directors of the Issuer, customary for Credit Facilities of Persons engaged in a Permitted Business; and

(16) restrictions contained in Indebtedness used to finance, or incurred for the purpose of financings, Expansion Capital Expenditures and/or Development Projects and Permitted Refinancing Indebtedness in respect thereof, provided that such restrictions apply only to the asset (or the Person owning such asset) being financed pursuant to such Indebtedness.

Merger, Consolidation or Sale of Assets

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person or consummate a Division as the Dividing Person (whether or not the Issuer is the surviving entity or Division Successor, as applicable), or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) (a) the Issuer is the surviving entity; (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made (the "Successor") is an entity organized or existing under the laws of the United States, any state of the United States or the District of Columbia; and, if such

entity is not a corporation, a co-obligor of the Notes is a corporation organized or existing under any such laws; or (c) in the case of a Division where the Issuer is the Dividing Person, either all Division Successors shall become co-Issuers of the Notes or the Division, as to any Division Successor that will not be a co-Issuer, is permitted by the covenant described above under "— Certain covenants — Restricted payments" (it being understood for the avoidance of doubt that a Division by the Issuer constitutes a Restricted Payment);

(2) the Successor (if other than the Issuer), assumes all the obligations of the Issuer under the Notes and the indenture pursuant to supplemental indentures;

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) the Issuer or the Successor would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (a) be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock"; or (b) have had a Fixed Charge Coverage Ratio equal to or greater than the actual Fixed Charge Coverage Ratio for the Issuer for such four quarter period.

In addition, the Issuer will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into or consummate a Division as the Dividing Person (whether or not such Guarantor is the surviving Person or Division Successor, as applicable), another Person, other than the Issuer or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person or Division Successor, as applicable, acquiring the property in any such sale, disposition or Division or the Person formed by or surviving any such consolidation, merger or Division assumes all the obligations of that Guarantor under its Note Guarantee and the indenture pursuant to a supplemental indenture; or

(b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the indenture.

Upon any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the Issuer's and its Restricted Subsidiaries' assets, taken as a whole, in compliance with the provisions of this "Merger, Consolidation or Sale of Assets" covenant, the Issuer will be released from the obligations under the Notes and the indenture except with respect to any obligations that arise from, or are related to, such transaction.

This "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Restricted Subsidiaries. Clauses (3) and (4) of the first paragraph of this covenant will not apply to any merger or consolidation of the Issuer (1) with or into one of its Restricted Subsidiaries for any purpose or (2) with or into an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction.

This section includes a phrase relating to the sale, assignment, transfer, lease, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, if the Issuer or its Restricted Subsidiaries dispose of less than all their assets by any means described above, the application of the covenant described in this section may be uncertain.

Transactions with Affiliates

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer involving aggregate payments or consideration in excess of $50.0 million (each, an "Affiliate Transaction") unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $100.0 million, a majority of the disinterested members of the Board of Directors of the Issuer (and of any affected Restricted Subsidiary, where applicable) shall have approved such Affiliate Transaction, as evidenced by a resolution of the Board of Directors of the Issuer.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any indemnification or employment, consultancy, advisory, severance or separation agreement, employee benefit plan or any similar arrangement, including any issuances of securities, loans or other payments, grants or awards, in each case in respect of or to employees, officers, directors, advisors or consultants entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(3) management agreements entered into, consistent with past practice, by the Issuer or any Restricted Subsidiary, on the one hand, and an Unrestricted Subsidiary or other entity, on the other hand, pursuant to which the Issuer or such Restricted Subsidiary controls the day-to-day operations of such entity;

(4) any payments or other transactions pursuant to a tax sharing agreement or other tax management arrangement between the Issuer and any other Person with which the Issuer files a consolidated, unitary or combined tax return or with which the Issuer is part of a consolidated, unitary or combined group for tax purposes;

(5) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(6) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Issuer or any of its Restricted Subsidiaries;

(7) any issuance of Equity Interests (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer;

(8) Permitted Investments and Restricted Payments that do not violate the provisions of the indenture described above under the caption "— Restricted Payments";

(9) loans or advances to employees in the ordinary course of business not to exceed $1.0 million in the aggregate at any one time outstanding;

(10) any transaction pursuant to any contract or arrangement in existence on the date the Notes are first issued (including pursuant to any amendment thereto) or by any renewal, replacement, supplement or modification thereof so long as any such amendment, renewal, replacement,

supplement or modification is not more disadvantageous to the holders in any material respect taken as a whole as compared to the original agreement or arrangement as in effect on the date the Notes are first issued as determined in good faith by the Board of Directors of the Issuer;

(11) transactions with persons who have entered into an agreement, contract or arrangement with the Issuer or any of its Restricted Subsidiaries to manage, own or operate a Gaming/Racing Facility because the Issuer and its Restricted Subsidiaries have not received the requisite approvals of the Gaming Authorities or are otherwise not permitted to manage, own or operate such Gaming/ Racing Facility under applicable Gaming/Racing Laws; *provided* that such transactions shall have been approved by a majority of the disinterested members of the Issuer's Board of Directors (or by the audit committee or any committee of the Board of Directors consisting of disinterested members of the Board of Directors) and determined by them to be in the best interests of the Issuer;

(12) transactions with customers, clients, suppliers, contractors, landlords, lessors, lessees, licensors, licensees, Joint Venture or development partners or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the indenture which are fair to the Issuer and its Restricted Subsidiaries taken as a whole, in the determination of the Issuer's Board of Directors (or by the audit committee or any committee of the Board of Directors) or management, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(13) transactions with Joint Ventures and Subsidiaries thereof and Unrestricted Subsidiaries relating to the provision of management services, overhead, sharing of customer lists and customer loyalty programs or that are approved by a majority of the disinterested members of the Issuer's Board of Directors (or by the audit committee or any committee of the Board of Directors consisting of disinterested members of the Board of Directors) (a director shall be disinterested if he or she has no interest in such Joint Venture or Unrestricted Subsidiary other than through the Issuer and its Restricted Subsidiaries); *provided* that no Affiliate of the Issuer (other than the Issuer's Restricted Subsidiaries) has an interest (other than indirectly through the Issuer and other than Unrestricted Subsidiaries or such Joint Ventures) in any such Joint Venture or Unrestricted Subsidiary;

(14) any transaction with respect to which the Issuer or any of its Restricted Subsidiaries, as the case may be, obtains an opinion as to the fairness to the Issuer or such Restricted Subsidiary, as applicable, of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing;

(15) 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;

(16) (x) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee and any Affiliate of the Issuer, as lessor, which is approved by the Board of Directors of the Issuer in good faith or (y) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor in the ordinary course of business; provided that, in each case, such lease includes fair and reasonable terms no less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate;

(17) payments to and from, and transactions with, any Joint Ventures entered into in the ordinary course of business (including, including without limitation, any cash management activities related thereto);

(18) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to stockholders of the Issuer or any Parent Entity pursuant to a stockholders agreement or a registration rights agreement entered into on or after the Issue Date or the Escrow Release Date in connection therewith or similar equity holder's agreements or limited liability company agreements;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) transactions pursuant to the Tax Sharing Agreement;

(21) transactions between the Issuer or any Restricted Subsidiary and 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 of the Issuer; *provided*, *however*, that any such director abstains from voting as a director of the Issuer on any matter involving such other Person

(22) Permitted Non-Recourse Guarantees and the pledge of Equity Interests in Unrestricted Subsidiaries, Restricted Subsidiaries that are not Guarantors and Joint Ventures to secure Indebtedness and other obligations of Unrestricted Subsidiaries, Restricted Subsidiaries that are not Guarantors and Joint Ventures and Permitted Non-Recourse Guarantees;

(23) intellectual property licenses and any payments pursuant thereto made in accordance with the covenant described under "— Restricted Payments" in the ordinary course of business; and

(24) transactions constituting Permitted Reorganization Transactions.

Business Activities

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

No Layering

The Issuer will not, and will not permit any Guarantor to, incur or suffer to exist Indebtedness that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or such Guarantor's Note Guarantee, as the case may be. For the avoidance of doubt, this covenant will not restrict the Issuer or the Guarantors from incurring or suffering to exist Indebtedness in the form of Additional Notes or other senior notes that are *pari passu* to the Notes so long as such incurrence or suffering to exist is otherwise permitted under the Indenture.

Additional Note Guarantees

Upon the expiration of the Escrow Period, the Issuer shall cause each of its Restricted Subsidiaries that (i) is a Domestic Subsidiary or a Subsidiary of Gamesys and (ii) also is a borrower or guarantor under the Senior Credit Facilities as of the date the Assumption occurs to execute and deliver to the trustee a supplemental indenture pursuant to which such Guarantor shall guarantee the Issuer's obligations under the Notes; *provided* that the then-outstanding Senior Credit Facilities are also then guaranteed by such Guarantor.

From and after the expiration of the Escrow Period, if the Issuer or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary that (i) incurs or guarantees Indebtedness under the Senior Credit Facilities or (ii) incurs, Guarantees or otherwise becomes liable for any other Indebtedness of the Issuer or any Guarantor in an aggregate amount in excess of $50.0 million, then, in either case, that Domestic Subsidiary will become a Guarantor and execute a supplemental indenture within thirty (30) days after the date on which it incurred, guaranteed or became liable, as applicable, for the Indebtedness contemplated in clauses (i) and (ii) above (or such longer period of time as may be required to obtain any necessary approvals under applicable Gaming/Racing Laws or other regulatory requirements). The Issuer shall use commercially reasonable efforts to obtain all approvals of any Gaming/Racing Authority necessary to permit a Domestic Subsidiary to become a Guarantor as promptly as practicable.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed

to be either (1) an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "— Restricted Payments" or (2) a Permitted Investment under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

Reports

Whether or not required by the SEC, so long as any Notes of any series are outstanding, the Issuer will furnish to the trustee:

(1) within 90 days after the end of each fiscal year, annual reports of the Issuer containing the information that would have been required to be contained in an Annual Report on Form 10-K under the Exchange Act if the Issuer had been a reporting company under the Exchange Act, including (A) "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (B) audited financial statements prepared in accordance with GAAP;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, quarterly reports of the Issuer containing the information that would have been required to be contained in a Quarterly Report on Form 10-Q under the Exchange Act if the Issuer had been a reporting company under the Exchange Act, including (A) "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (B) unaudited quarterly financial statements prepared in accordance with GAAP and reviewed pursuant to Public Company Accounting Oversight Board Auditing Standards No. 4105 (or any successor provision); and

(3) within five business days after the occurrence of each event that would have been required to be reported in a Current Report on Form 8-K under the Exchange Act if the Issuer had been a reporting company under the Exchange Act, current reports containing substantially all of the information that would have been required to be contained in a Current Report on Form 8-K under the Exchange Act if the Issuer had been a reporting company under the Exchange Act; *provided*, *however*, that no such current report will be required to be furnished if the Issuer determines in its good faith judgment that such event is not material to noteholders or the business, assets, operations, financial positions or prospects of the Issuer and its Restricted Subsidiaries, taken as a whole;

provided, that such distribution requirements shall be deemed to have been satisfied if the Issuer files all such information meeting the above requirements within the applicable time periods with the SEC through the SEC's Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) (or any successor system);

provided further, *however*, that all such reports (A) will not be required to comply with Section 302 or Section 404 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC, or Item 10(e) of Regulation S-K (with respect to any non-GAAP financial measures contained therein), (B) will not be required to contain the separate financial information for Guarantors contemplated by Rule 3-10 or Rule 3-16 of Regulation S-X promulgated by the SEC, (C) will only be required to include limited executive compensation disclosure consisting of a summary compensation table (including any equity awards), a description of employment agreements with officers and a description of any incentive plans and (D) will not be required to include exhibits that would otherwise be required to be filed pursuant to Item 601 of Regulation S-K.

In addition, the Issuer shall furnish to noteholders, prospective investors, broker-dealers and securities analysts, upon their request, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

Any and all Defaults or Events of Default arising from failure to furnish in a timely manner any report required by this covenant shall be deemed cured (and the Issuer shall be deemed in compliance with this covenant) upon filing or posting such report as contemplated by this covenant (but without regard to the date

on which such report is so filed or posted); provided that such cure shall not otherwise affect the rights of the holders under "— Events of Default and Remedies" if the principal of, premium, if any, on, and interest on, the Notes of any series have been accelerated in accordance with the terms of the indenture and such acceleration has not been rescinded or cancelled prior to such cure.

Events of Default and Remedies

Each of the following is an "Event of Default":

(1) default for 30 days in the payment when due of interest on each series of the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, each series of the Notes;

(3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the captions "— Certain Covenants — Merger, Consolidation or Sale of Assets";

(4) subject to the last paragraph of this covenant, failure by the Issuer or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the trustee or the holders of at least 30% in aggregate principal amount of each series of the Notes then outstanding (with a copy to the trustee if given by the holders) voting as a single class to comply with any of the other agreements in the indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

   (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

   (b) results in the acceleration of such Indebtedness prior to its express maturity,

   and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $200.0 million or more; *provided*, *however*, that if, prior to any acceleration of the Notes of the applicable series, (i) any such Payment Default is cured or waived, (ii) any such acceleration is rescinded, or (iii) such Indebtedness is repaid during the 15 business day period commencing upon the end of any applicable grace period for such Payment Default or the occurrence of such acceleration, as the case may be, any Default or Event of Default (but not any acceleration of the Notes) caused by such Payment Default or acceleration shall be automatically rescinded, so long as such rescission does not conflict with any judgment, decree or applicable law;

(6) failure by the Issuer or any of its Restricted Subsidiaries to pay final non-appealable judgments entered by a court or courts of competent jurisdiction in an uninsured aggregate amount in excess of $200.0 million, which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;

(7) except as permitted by the indenture, any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Note Guarantee; and

(8) certain events of bankruptcy or insolvency described in the indenture with respect to the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding Notes of each applicable series will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the trustee or the holders of at least 30% in aggregate principal amount of the then outstanding Notes of each applicable series by notice to the Issuer (with a copy to the trustee if given by the holders) may, only following the earliest to occur of (i) the Escrow Release Date and (ii) a Special Mandatory Redemption Event, declare all the Notes of each applicable series to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes of each applicable series may direct the trustee in its exercise of any trust or power. The trustee may withhold from holders of the Notes of each applicable series notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium, if any.

In case an Event of Default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the written request or direction of any holders of Notes of each applicable series unless such holders have offered to the trustee indemnity and/or security satisfactory to the trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder of a Note of each applicable series may pursue any remedy with respect to the indenture or the Notes of each applicable series unless:

(1) such holder has previously given the trustee notice that an Event of Default is continuing;

(2) holders of at least 30% in aggregate principal amount of the then outstanding Notes of each applicable series have requested the trustee to pursue the remedy;

(3) such holders have offered the trustee security and/or indemnity satisfactory to the trustee against any loss, liability or expense;

(4) the trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) holders of a majority in aggregate principal amount of the then-outstanding Notes of each applicable series have not given the trustee a direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the then-outstanding Notes of each applicable series by notice to the trustee may, on behalf of the holders of all of the Notes of each applicable series, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the indenture except a continuing Default or Event of Default in the payment of interest or premium, if any, on, or the principal of, the Notes of each applicable series.

The Issuer is required to deliver to the trustee annually a statement regarding compliance with the indenture. Upon becoming aware of any Default or Event of Default that is continuing, the Issuer is required to deliver to the trustee a statement specifying such Default or Event of Default within five (5) Business Days.

Notwithstanding clause (4) of the first paragraph above, except as provided in the second to last sentence of this paragraph, the sole remedy for any failure to comply by the Issuer with the covenant described under the caption "— Reports" shall be the payment of liquidated damages as described in the following sentence, such failure to comply shall not constitute an Event of Default, and Holders of the Notes shall not have any right under the indenture to accelerate the maturity of the Notes of any series as a result of any such failure to comply. If a failure to comply by the Issuer with the covenant described under the caption "— Reports" continues for 60 days after the Issuer receives notice of such failure to comply in accordance with clause (4) of the first paragraph above (such notice, the "Reports Default Notice"), and is continuing on the 60th day following the Issuer's receipt of the Reports Default Notice, the Issuer will pay liquidated damages to all Holders of Notes of the applicable series at a rate per annum equal to 0.25% of

the principal amount of the Notes of the applicable series from the 60th day following the Issuer's receipt of the Reports Default Notice to but not including the earlier of (x) the 121st day following the Issuer's receipt of the Reports Default Notice and (y) the date on which the failure to comply by the Issuer with the covenant described under the caption "— Reports" shall have been cured or waived. On the earlier of the dates specified in the immediately preceding clauses (x) and (y), such liquidated damages will cease to accrue. If the failure to comply by the Issuer with the covenant described under the caption "— Reports" shall not have been cured or waived on or before the 121st day following the Issuer's receipt of the Reports Default Notice, then the failure to comply by the Issuer with the covenant described under the caption "— Reports" shall on such 121st day constitute an Event of Default. A failure to comply with the covenant described under the caption "— Reports" automatically shall cease to be continuing and shall be deemed cured at such time as the Issuer furnishes to the trustee the applicable information or report (it being understood that the availability of such information or report on the Commission's EDGAR service (or any successor thereto) shall be deemed to satisfy the Issuer's obligation to furnish such information or report to the trustee); *provided*, *however*, that the trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been filed pursuant to the EDGAR service (or its successor).

No Personal Liability of Directors, Partners, Members, Officers, Employees and Stockholders

No director, general or limited partner, member, officer, employee, incorporator or stockholder or other owner, past, present or future, of any Capital Stock of the Issuer or any Restricted Subsidiary, as such, will have any liability for any obligations of the Issuer or its Restricted Subsidiaries under the Notes of any series, 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 by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution accompanied by an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes of each applicable series and all obligations of the Guarantors discharged with respect to their Note Guarantees ("Legal Defeasance") except for:

(1) the rights of holders of outstanding Notes of each applicable series to receive payments in respect of the principal of, or interest or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes of each applicable series concerning issuing temporary Notes of each applicable series, mutilated, destroyed, lost or stolen Notes of each applicable series and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes of any series. In the event of a Covenant Defeasance, all Events of Default described under "— Events of Default and Remedies" (except those relating to payments on the Notes of each applicable series or bankruptcy, receivership, rehabilitation or insolvency events) will no longer constitute an Event of Default with respect to the Notes of any series.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the trustee, in trust, for the benefit of the holders of the

Notes of each applicable series, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes of each applicable series on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes of each applicable series are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the trustee an opinion of counsel who is reasonably acceptable to the trustee confirming that (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes of each applicable series will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the trustee an opinion of counsel who is reasonably acceptable to the trustee confirming that the holders of the outstanding Notes of each applicable series will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness), and the granting of Liens to secure such borrowings) has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from transactions occurring substantially contemporaneously with the borrowing of funds, or from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness), and the granting of Liens to secure such borrowings);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or any of the Guarantors is a party or by which the Issuer or any of the Guarantors is bound;

(6) the Issuer must deliver to the trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes of each applicable series over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(7) the Issuer must deliver to the trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next three succeeding paragraphs, the Escrow Agreements, the indenture or the Notes of each series or the Note Guarantees may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes of each applicable series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes of each applicable series), and any existing Default or Event of Default or compliance with any provision of the Escrow Agreements, the indenture or the Notes of each applicable series or the Note Guarantees may be waived with the consent of the holders of a majority in aggregate

principal amount of the then outstanding Notes of each applicable series (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes of each applicable series).

Without the consent of each holder of Notes of each applicable series affected, an amendment, supplement or waiver may not (with respect to any Notes of each applicable series held by a non-consenting holder):

(1) reduce the principal amount of Notes of each applicable series whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note of each applicable series or the premium payable in connection with a redemption of the Notes of each applicable series;

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note of each applicable series;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes of each applicable series (except a rescission of acceleration of the Notes of each applicable series by the holders of at least a majority in aggregate principal amount of the then outstanding Notes of each applicable series and a waiver of the payment default that resulted from such acceleration);

(5) make any Note of each applicable series payable in money other than that stated in the Notes of each applicable series;

(6) make any change in the provisions of the indenture relating to waivers of past Defaults or the contractual rights of holders of Notes of each applicable series to receive payments of principal of, or interest or premium, if any, on, the Notes of each applicable series (other than as permitted by clause (7) below);

(7) waive a redemption payment with respect to any Note of each applicable series (other than a payment required by one of the covenants described above under the caption "— Repurchase at the Option of Holders");

(8) contractually subordinate the Notes of any series or the Guarantees to any other Indebtedness; or

(9) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes of each applicable series, the Issuer, the Guarantors and the trustee may amend or supplement the Escrow Agreements, the indenture, the Notes of each applicable series or the Note Guarantees:

(1) to cure any ambiguity, defect, omission, mistake or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided*, however, that such uncertificated notes are in "registered" form within the meaning of Section 163 of the Internal Revenue Code, and Treasury regulations thereunder);

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes of each applicable series and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of any Notes of any series or that does not adversely affect the legal rights under the indenture of any holder of Notes of each applicable series, including to comply with requirements of the SEC or any applicable securities depository in order to maintain the transferability of the Notes of each applicable series pursuant to Rule 144A ("Rule 144A") under the Securities Act or Regulation S under the Securities Act ("Regulation S");

(5) to make any change that would provide any additional rights or benefits to the holders of Notes of

each applicable series and, in each case, the release, suspension or termination thereof, or that does not adversely affect the legal rights under the indenture of any such holder;

(6) to conform the text of the indenture, the Notes of each applicable series or the Note Guarantees to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the indenture, the Notes of each applicable series or the Note Guarantees which intent may be evidenced by an Officer's Certificate to that effect;

(7) to release the Note Guarantee of a Guarantor in accordance with the terms of the indenture;

(8) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes of each applicable series;

(9) to provide for the issuance of Additional Notes of any series in accordance with the limitations set forth in the indenture as of the Issue Date;

(10) to comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), if then applicable;

(11) to comply with requirements of applicable Gaming/Racing Laws or to provide for requirements imposed by applicable Gaming Authorities;

(12) to provide for the acceptance or appointment of a successor trustee;

(13) to amend the provisions of the indenture relating to the transfer and legending of Notes of each applicable series as permitted by the indenture, including to facilitate the issuance and administration of the Notes of each applicable series; or

(14) to allow the Company and any Guarantor to execute supplemental indentures in connection with the Assumption and/or a Note or Note Guarantee with respect to the Notes of each applicable series.

For the avoidance of doubt, no amendment or deletion of any of the covenants described under "— Certain Covenants" in accordance with the amendment provisions set forth in the indenture, or action taken in compliance with such covenants in effect at the time of such action, shall be deemed to make any change in the provisions of the indenture relating to the contractual right of any holder of the Notes of any applicable series to receive payments of principal of, or interest or premium, if any, on the Note of any applicable series.

The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment, supplement, waiver or consent. It is sufficient if such consent approves the substance of the proposed amendment, supplement, waiver or consent.

Satisfaction and Discharge

The indenture will be satisfied and discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the trustee for cancellation; or

(b) all Notes that have not been delivered to the trustee for cancellation have become due and payable by reason of the mailing (or electronic delivery) of a notice of redemption or otherwise or will become due and payable within one year (or are to be irrevocably called for redemption within one year) and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders, cash in U.S.

dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer has or any Guarantor has paid or caused to be paid all sums payable by it under the indenture; and

(3) the Issuer has delivered irrevocable instructions to the trustee under the indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an opinion of counsel to the trustee stating that all conditions precedent to satisfaction and discharge have been complied with.

The satisfaction and discharge will be effective on the day on which all the applicable conditions above have been satisfied. Upon compliance with the foregoing, the trustee shall execute such instrument(s) requested by the Issuer acknowledging the satisfaction and discharge of all of the Issuer's obligations under the Notes and the indenture.

Concerning the Trustee

If the trustee becomes a creditor of the Issuer or any Guarantor, the indenture limits the right of the trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee under the indenture (if the indenture has been qualified under the Trust Indenture Act) or resign.

The holders of a majority in aggregate principal amount of the then outstanding Notes of each applicable series will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The indenture provides that in case an Event of Default occurs and is continuing, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of Notes of each applicable series, unless such holder has offered to the trustee security and/or indemnity satisfactory to the trustee against any loss, liability or expense.

The trustee shall not be responsible for, and makes no representation as to any Gaming/Racing Law or any Gaming/Racing Authority, whether any holder or beneficial owner of Notes of each applicable series could be licensed, qualified or found suitable under any Gaming/Racing Law or by any Gaming/Racing Authority, and any consequence to any holder or beneficial owner of Notes of each applicable series under any Gaming/Racing Law or by any Gaming/ Racing Authority.

Additional Information

Anyone who receives this offering memorandum may obtain a copy of the indenture without charge by writing to Bally's Corporation, 100 Westminster Street, Providence, RI 02903, Attention: Chief Financial Officer.

Governing Law

The indenture, the Notes and the Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms used in the indenture. Reference is made to the indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which

no definition is provided. For purposes of the indenture, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person on a consolidated basis in accordance with GAAP, but excluding from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

"*2029 Notes*" means the Issuer's $750,000,000 in aggregate principal amount of notes due 2029.

"*2031 Notes*" means the Issuer's $750,000,000 in aggregate principal amount of notes due 2031.

"*2029 Notes Applicable Premium*" means, with respect to any 2029 Note on any redemption date, the greater of: (1) 1.0% of the principal amount of the 2029 Note or (2) the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2029 Note at September 1, 2024 (such redemption price being set forth in the table above under the caption "— Optional Redemption — 2029 Notes"), *plus* (ii) all required interest payments due on the 2029 Note through September 1, 2024 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date *plus* 50 basis points, over (b) the principal amount of such Note.

"*2031 Notes Applicable Premium*" means, with respect to any 2031 Note on any redemption date, the greater of: (1) 1.0% of the principal amount of the 2031 Note or (2) the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2031 Note at September 1, 2026 (such redemption price being set forth in the table above under the caption "— Optional Redemption — 2031 Notes"), plus (ii) all required interest payments due on the 2029 Note through September 1, 2026 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points, over (b) the principal amount of such Note.

"*Acquired Debt*" means, with respect to any specified Person, (1) Indebtedness, Disqualified Stock or preferred stock of any other Person existing at the time such other Person is merged, acquired, consolidated, liquidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, whether or not such Indebtedness, Disqualified Stock or preferred stock is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person; *provided* that, for the avoidance of doubt, if such Indebtedness, Disqualified Stock, or preferred stock is redeemed, retired, or defeased (whether by covenant or legal defeasance), repurchased, discharged or otherwise repaid or acquired (or if irrevocable deposit has been made for the purpose of such repurchase, redemption, retirement, defeasance (whether covenant or legal), discharge or repayment or other acquisition) at the time, or substantially concurrently with the consummation, of the transaction by which such Person is merged, acquired, consolidated, liquidated or amalgamated with or into or became a Restricted Subsidiary (including by designation) of such specified Person, then such Indebtedness, Disqualified Stock, or preferred stock shall not constitute Acquired Debt.

"*Acquisition*" means, with respect to any Person, any transaction or series of related transactions for the (a) acquisition of all or substantially all of the Property of any other Person, or of any business or division of any other Person (other than any then-existing Company), (b) acquisition of more than 50% of the Equity Interests of any other Person, or otherwise causing any other Person to become a Subsidiary of such Person or (c) merger, amalgamation or consolidation of such Person or any other combination of such Person with any other Person (other than any of the foregoing between or among any then-existing Companies).

"*Affiliate*" means, with respect to any 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; *provided* that as to the Issuer and each of the Guarantors or any Subsidiary thereof "*Control*" shall mean the possession, directly or indirectly, of the power to (x) vote more than 50% (or, for purposes of the covenant described above under the caption "— Certain Covenants — Transactions with Affiliates", 15%) of the outstanding voting interests of a Person or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "*Controlling*" and "*Controlled*" have meanings correlative thereto.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition, whether in a single transaction or a series of related transactions, of any assets or rights whether effected pursuant to a Division or otherwise, by the Issuer or any of the Issuer's Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the indenture described above under the caption "— Repurchase at the Option of Holders — Change of Control" and/or the provisions described above under the caption "— Certain Covenants — Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant;

(2) the issuance of Equity Interests by any of the Issuer's Restricted Subsidiaries or the sale by the Issuer or any of the Issuer's Restricted Subsidiaries of Equity Interests in any of the Issuer's Restricted Subsidiaries (other than preferred stock issued in compliance with the covenant described above under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock"); or

(3) an Interactive Unrestricted Subsidiary Sale.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value not to exceed the greater of (x) $31.0 million and (y) 5.0% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date;

(2) any transaction that is consummated in accordance with the provisions described under the caption "— Certain Covenants — Merger, Consolidation or Sale of Assets";

(3) a transfer of assets between or among the Issuer and its Restricted Subsidiaries;

(4) an issuance of Equity Interests by a Restricted Subsidiary of the Issuer to the Issuer or to a Restricted Subsidiary of the Issuer;

(5) the sale, disposition, exchange for replacement items or other items used or useful in a Permitted Business, lease or other transfer of inventory, products, services or accounts receivable in the ordinary course of business or in bankruptcy or similar proceedings;

(6) any sale or other disposition of damaged, non-core, worn-out or obsolete assets in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Issuer, no longer economically practicable to maintain or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries taken as whole);

(7) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(8) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(9) the granting of Liens not prohibited by the covenant described above under the caption "— Certain Covenants — Liens;"

(10) the sale or other disposition of cash or Cash Equivalents;

(11) a Restricted Payment that does not violate the covenant described above under the caption "— Certain Covenants — Restricted Payments" or a Permitted Investment;

(12) any exchange of property pursuant to Section 1031 of the Internal Revenue Code for use in a related business;

(13) foreclosures, condemnations or any similar action on assets;

(14) any leases of retail, restaurant or entertainment venues and other similar spaces in the ordinary course of business;

(15) terminations of Hedging Obligations;

(16) any settlement, release, waiver or surrender of contract rights or contract, tort or other litigation claims, or voluntary terminations of other contracts or assets, in the ordinary course of business;

(17) any disposition of Equity Interests of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or any of its Restricted Subsidiaries) from whom such Restricted Subsidiary was acquired, or from whom such Restricted 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;

(18) foreclosures, condemnation, eminent domain or any similar action on assets or the granting of Liens not prohibited by the indenture;

(19) any surrender or waiver of contractual rights or the settlement, release or surrender or contractual rights or other litigation claims in the ordinary course of business;

(20) the sale, lease, assignment, sublease or discount of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or the conversion of accounts receivable for notes receivable or other dispositions or accounts receivable in connection with the collection or compromise thereof;

(21) any financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of Real Property) by the Issuer or any of its Restricted Subsidiaries, including sale and leaseback transactions and asset securitizations, permitted by the indenture;

(22) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business and which do not materially interfere with the business of the Issuer and the Restricted Subsidiaries taken as a whole;

(23) the licensing or sub-licensing of intellectual property or other general intangibles in the ordinary course of business or that is immaterial;

(24) any disposition of Equity Interests of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or any of its Restricted Subsidiaries) from whom such Restricted Subsidiary was acquired, or from whom such Restricted 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;

(25) sales of Unrestricted Subsidiaries (other than an Interactive Unrestricted Subsidiary Sale) or Joint Ventures or other development ventures, or issuances or sales of Equity Interests, Indebtedness, other securities or other Investments therein, or assets thereof;

(26) any transfer of Equity Interests of any Restricted Subsidiary or any Gaming/Racing Facility in connection with the occurrence of a Triggering Event;

(27) (i) the lease, sublease or license of any portion of any Property 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 of facilities and (ii) 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;

(28) 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;

(29) dedications or dispositions 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 Issuer or any Restricted Subsidiary or the public at large that would not reasonably be expected to interfere in any material respect with the operations of the Issuer and any Restricted Subsidiary;

(30) the disposition of non-core assets acquired in connection with any acquisition or Investment permitted under the indenture in an amount not to exceed 25% of the aggregate purchase price for such acquisition or Investment; and

(31) the Permitted Reorganization Transactions and any disposition of assets made in connection therewith.

In the event that a transaction (or a portion thereof) meets the criteria of more than one category of an Asset Sale, the Issuer, in its sole discretion, will be entitled to divide and classify or reclassify such transaction (or a portion thereof) between or among such categories.

"*Attributable Debt*" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value will be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP; *provided, however*, that if such sale and leaseback transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capital Lease Obligation"; provided, further, however, that in no event shall any Gaming/Racing Lease constitute any Attributable Debt.

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended, modified or supplemented from time to time or any similar federal or state law for the relief of debtors.

"*Bankruptcy Law*" means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "*Beneficially Owns*," "*Beneficially Owning*" and "*Beneficially Owned*" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the board of managers of such limited liability company or any committee thereof duly authorized to act on behalf of such board or the managing member or members or any controlling committee of managing members thereof, as applicable; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Capital Lease*" as applied to any Person, means any lease of any Property by that Person as lessee that, in conformity with GAAP, is required to be classified and accounted for as a capital lease on the balance sheet of that Person; *provided, however*, that (a) for the avoidance of doubt, any lease that was accounted for by any Person as an operating lease as of December 31, 2018 and any similar lease entered into after December 31, 2018 by any Person may, in the sole discretion of the Issuer, be accounted for as an

operating lease and not as a Capital Lease and (b) each Gaming/Racing Lease shall be accounted for as an operating lease and not as a Capital Lease.

"*Capital Lease Obligation*" means, for any Person, all obligations of such Person to pay rent or other amounts under a Capital Lease, and, for purposes of the indenture, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP; *provided, however*, that (a) for the avoidance of doubt, any lease that was accounted for by any Person as an operating lease as of December 31, 2018 and any similar lease entered into after December 31, 2018 by any Person may, in the sole discretion of the Issuer, be accounted for as an operating lease and not as a Capital Lease and (b) each Gaming/Racing Lease shall be accounted for as an operating lease and not as a Capital Lease.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person;

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means, for any Person: (1) direct obligations of the United States, or of any agency thereof, or obligations guaranteed as to principal and interest by the United States, or by any agency thereof, in either case maturing not more than one year from the date of acquisition thereof by such Person; (2) time deposits, certificates of deposit or bankers' acceptances (including eurodollar deposits) issued by (i) any bank or trust company organized under the laws of the United States or any state thereof and having capital, surplus and undivided profits of at least $500.0 million that is assigned at least a "B" rating by Thomson Financial BankWatch or (ii) any lender under the Senior Credit Facilities ("Lender") or bank holding company owning any Lender (in each case, at the time of acquisition); (3) commercial paper maturing not more than one year from the date of acquisition thereof by such Person and (i) issued by any Lender or bank holding company owning any Lender or (ii) rated at least "A 2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's, respectively, (in each case, at the time of acquisition); (4) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clause (a) above or (e) below entered into with a bank meeting the qualifications described in clause (b) above (in each case, at the time of acquisition); (5) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, or by any political subdivision or taxing authority thereof or by any foreign government, and rated at least "A" by S&P or "A" by Moody's (in each case, at the time of acquisition); (6) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (2) above (in each case, at the time of acquisition); (7) money market mutual funds that invest primarily in the foregoing items (determined at the time such investment in such fund is made); (8) solely with respect to any Foreign Subsidiary, (i) marketable direct obligations issued by, or unconditionally guaranteed by, the country in which such Foreign Subsidiary maintains its chief executive office or principal place of business, or issued by any agency of such country and backed by the full faith and credit of such country, and rated at least "A" or the equivalent thereof by S&P or "A2" or the equivalent thereof by Moody's (in each case, at the time of acquisition), (ii) time deposits, certificates of deposit or bankers' acceptances issued by any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business, or payable to a Company promptly following demand and maturing within one year of the date of acquisition and (iii) other customarily utilized high-quality or cash equivalent-type Investments in the country where such Foreign Subsidiary maintains its chief executive office or principal place of business; (9) such local currencies held by the Issuer or any Restricted Subsidiary from time to time

in the ordinary course of business; or (10) investment funds investing at least 90% of their assets in securities of the types described in clauses (1) through (9) above.

"*Cash Confirmed Escrow Account*" means the Gamesys Purchase Portion Escrow Account.

"*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.

"*CFC*" means a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code.

"*CFC Holdco*" means any domestic subsidiary that has no material assets other than Equity Interests (or Equity Interests and Indebtedness) of one or more Subsidiaries of the Issuer that are CFCs or other CFC Holdcos.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the Exchange Act)) other than Permitted Holders; or

(2) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" (as defined above)), other than (i) any employee benefit plan of such Person or its subsidiaries, any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, or any Person formed as a holding company for the Issuer (in a transaction where the Voting Stock of the Issuer outstanding prior to such transaction is converted into or exchanged for the Voting Stock of the surviving or transferee Person constituting all or substantially all of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance)), (ii) any Person that has received Voting Stock of the Issuer in consideration of any acquisition or Investment, whether by purchase, merger, consolidation or otherwise, by the Issuer or any of its Subsidiaries, which Person is temporarily holding such Voting Stock pending distribution to other Persons (so long as, immediately after giving effect to such distribution, no Change of Control shall otherwise have occurred) and (iii) a Permitted Holder, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer measured by voting power rather than number of shares.

"*Change of Control Time*" has the meaning assigned to that term in the definition of "Rating Decline."

"*Change of Control Triggering Event*" means both (1) a Change of Control and (2) a Rating Decline.

"*Comfort Letters*" means collectively, all letter agreements between or among the Division and/or the DBR, on the one hand, and on the other hand, any or all of the Issuer and its Subsidiaries, clarifying, modifying and/or waiving, as the case may be, provisions of the Rhode Island Regulatory Agreement, the Rhode Island Lottery Rules and/or the DBR rules or regulations (and also, in some cases, giving related consents or approvals or taking other related actions or agreeing to refrain from taking certain actions).

"*Companies*" means the Issuer and its Subsidiaries; and "*Company*" means any one of them.

"*Consolidated EBITDA*" means, for any Test Period, the sum (without duplication) of Consolidated Net Income for such Test Period; *plus*

(1) in each case to the extent deducted in calculating such Consolidated Net Income:

(a) provisions for taxes based on income or profits or capital gains, *plus* franchise or similar taxes and for state taxes payable in lieu of income taxes, of the Issuer and its Restricted Subsidiaries for such Test Period (in each case in this clause (a), other than gaming taxes under Title 29 of the Delaware Code or otherwise in effect in the State of Delaware);

(b) consolidated interest expense (net of interest income (other than interest income in respect of notes receivable and similar items)) of the Issuer and its Restricted Subsidiaries for such Test Period, whether paid or accrued and whether or not capitalized;

(c) any cost, charge, fee or expense (including discounts and commissions and including fees and charges incurred in respect of letters of credit or bankers' acceptance financings) (or any amortization of any of the foregoing) associated with any issuance (or proposed issuance) of debt, or equity or any refinancing transaction (or proposed refinancing transaction) or any amendment or other modification of any debt instrument;

(d) depreciation and amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period);

(e) any Pre-Opening Expenses;

(f) the amount of any restructuring costs, charges, accruals, expenses or reserves (including those relating to severance, relocation costs, contract termination costs and one-time compensation charges), costs and expenses incurred in connection with any non-recurring strategic initiatives, integration costs, referendum costs and other business optimization expenses (including incentive costs and expenses relating to business optimization programs and signing, retention and completion bonuses) and costs associated with establishing new facilities (other than to the extent such items represent the reversal of any accrual or reserve added back in a prior period);

(g) any unusual or non-recurring costs, charges, accruals, reserves or items of loss or expense (including, without limitation, losses on asset sales (other than asset sales in the ordinary course of business) and non-recurring litigation expenses) (other than to the extent such items represent the reversal of any accrual or reserve added back in a prior period);

(h) any charges, fees and expenses (or any amortization thereof) (including, without limitation, all legal, accounting, advisory or other transaction-related fees, charges, costs and expenses and any bonuses or success fee payments related to the Transactions) related to the Transactions, any Permitted Investment (including any other Acquisition) or disposition (or any such proposed acquisition, Investment or disposition) (including amortization or write offs of debt issuance or deferred financing costs, premiums and prepayment penalties), in each case, whether or not successful;

(i) any losses resulting from mark to market accounting of Swap Contracts or other derivative instruments;

(j) license fees paid by the Issuer to the State of Delaware described in Section 4819(d), Title 29 of the Delaware Code;

(k) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards;

(l) professional fees paid to consultants to assist the Credit Parties to preserve tax refunds resulting from prior net operating losses; and

(m) to the extent included in calculating such Consolidated Net Income, non-cash items decreasing such Consolidated Net Income for such Test Period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period (other than amortization of a prepaid cash item that was paid in a prior period), (A) the Issuer may elect not to add back such non-cash charge in the current period and (B) to the extent the Issuer elects to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA in such future period pursuant to (b)(iv) below to such extent); *minus*

(2) each of the following:

(a) to the extent included in calculating such Consolidated Net Income, non-cash items increasing

such Consolidated Net Income for such period, other than (A) any non-cash items to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period and (B) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase Consolidated EBITDA in such prior period;

(b) to the extent included in calculating such Consolidated Net Income, the amount of any gains resulting from mark to market accounting of Swap Contracts or other derivative instruments;

(c) to the extent included in calculating such Consolidated Net Income, any unusual or non-recurring items of income or gain to the extent increasing Consolidated Net Income for such Test Period; and

(d) to the extent not deducted in calculating such Consolidated Net Income, cash payments in such Test Period in respect of non-cash charges the Issuer previously elected to add back pursuant to (1)(k) above; *plus*

(3) the amount of cost savings, operating expense reductions, other operating improvements and synergies projected by the Issuer in good faith to be realized as a result of specified actions taken or with respect to which steps have been initiated (in the good faith determination of the Issuer) during such Test Period (or with respect to Specified Transactions, are reasonably expected to be initiated within 18 months of the closing date of the Specified Transaction), including in connection with the Transactions or any Specified Transaction (calculated on a Pro Forma Basis as though such cost savings, operating expense reductions, other operating improvements and synergies had been realized during the entirety of such Test Period), net of the amount of actual benefits realized during such period from such actions; *provided* that (i) such actions are to be taken within 18 months after the consummation of such Specified Transaction, restructuring or implementation of an initiative that is expected to result in such cost savings, expense reductions, other operating improvements or synergies, (ii) no cost savings, operating expense reductions, other operating improvements and synergies shall be added pursuant to this clause (3) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such Test Period, and (iii) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this clause (3) to the extent more than 18 months have elapsed after the specified action taken (or in the case of a Specified Transaction, more than 18 months have elapsed after the date of such Specified Transaction) in order to realize such projected cost savings, operating expense reductions, other operating improvements and synergies; *provided*, that the aggregate amount of additions made to Consolidated EBITDA for any Test Period pursuant to this clause (3) shall not (i) exceed 25.0% of Consolidated EBITDA for such period (before giving effect to this clause (3) or (ii) be duplicative of one another; *plus*

(4) to the extent not included in Consolidated Net Income or, if otherwise excluded from Consolidated EBITDA due to the operation of clause (2)(c) above, the amount of insurance proceeds received during such Test Period or after such Test Period and on or prior to the date the calculation is made with respect to such Test Period, attributable to any property which has been closed or had operations curtailed for such Test Period; *provided* that such amount of insurance proceeds shall only be included pursuant to this clause (4) to the extent the amount of insurance proceeds *plus* Consolidated EBITDA attributable to such property for such Test Period (without giving effect to this clause (4)) does not exceed Consolidated EBITDA attributable to such property during the most recently completed four fiscal quarters for which financial results are available that such property was fully operational (or if such property has not been fully operational for four consecutive fiscal quarters for which financial results are available prior to such closure or curtailment, the Consolidated EBITDA attributable to such property during the Test Period prior to such closure or curtailment (for which financial results are available) annualized over four fiscal quarters); *plus*

(5) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any Test Period to the extent non-cash

gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (2) above for any previous Test Period and not added back.

Consolidated EBITDA shall be further adjusted (without duplication):

(A) to include the Consolidated EBITDA of (i) any Person, property, business or asset (including a management agreement or similar agreement) (other than an Unrestricted Subsidiary) acquired by the Issuer or any Restricted Subsidiary during such Test Period and (ii) any Unrestricted Subsidiary the designation of which as such is revoked and converted into a Restricted Subsidiary during such 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 the Issuer and its Restricted Subsidiaries in Consolidated Net Income and other defined terms therein were to such Person and its Subsidiaries;

(B) to exclude the Consolidated EBITDA of (i) any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred or otherwise disposed of, closed or classified as discontinued operations by the Issuer 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 the Issuer and its Restricted Subsidiaries in Consolidated Net Income and other defined terms therein were to such Person and its Subsidiaries;

(C) in the event of any Expansion Capital Expenditures that were opened for business during such Test Period, by multiplying the Consolidated EBITDA attributable to such Expansion Capital Expenditures (as determined by the Issuer in good faith) in respect of the first three (3) complete fiscal quarters following opening of the business representing such Expansion Capital Expenditures by: (x) 4 (with respect to the first such quarter), (y) 2 (with respect to the first two such quarters), and (z) 4/3 (with respect to the first three such quarters) and, for the avoidance of doubt, excluding Consolidated EBITDA attributable to such Expansion Capital Expenditures during the quarter in which the business representing such Expansion Capital Expenditure opened (unless such business opened on the first day of a fiscal quarter);

(D) in the event of any Development Project that was opened for business during such Test Period, by multiplying the Consolidated EBITDA attributable to such Development Project (as determined by the Issuer in good faith) in respect of the first three (3) complete fiscal quarters following opening of the business representing such Development Project by: (x) 4 (with respect to the first such quarter), (y) 2 (with respect to the first two such quarters), and (z) 4/3 (with respect to the first three such quarters) and, for the avoidance of doubt, excluding Consolidated EBITDA attributable to such Development Project during the quarter in which such Development Project opened (unless such business opened on the first day of a fiscal quarter);

(E) in the event of any new operations of the Issuer or any Subsidiary that have been organically developed by the Issuer or any Subsidiary (e.g., not a Permitted Acquisition, but self-developed or self-constructed) that were opened during such Test Period, by multiplying the Consolidated EBITDA attributable to such new organically developed operations (as determined by the Issuer in good faith) in respect of the first three (3) complete fiscal quarters following opening of the business representing such organically developed operations by: (x) 4 (with respect to the first such quarter), (y) 2 (with respect to the first two such quarters), and (z) 4/3 (with respect to the first three such quarters) and, for the avoidance of doubt, excluding Consolidated EBITDA attributable to such new organically developed operations during the quarter in which such new organically developed operations opened (unless such business opened on the first day of a fiscal quarter);

(F) in any fiscal quarter during which a purchase of property that prior to such purchase was subject to any operating lease that will be terminated in connection with such purchase shall occur and

during the three (3) following fiscal quarters, by increasing Consolidated EBITDA by an amount equal to the quarterly payment in respect of such lease (as if such purchase did not occur) times (a) four (4) (in the case of the quarter in which such purchase occurs), (b) three (3) (in the case of the quarter following such purchase), (c) two (2) (in the case of the second quarter following such purchase) and (d) one (1) (in the case of the third quarter following such purchase), all as determined on a consolidated basis for such Person and its Restricted Subsidiaries;

(G) to the extent that a Tax Reduction Event occurs during such Test Period, Consolidated EBITDA for such Test Period shall be calculated on a Pro Forma Basis as if such Tax Reduction Event (and the resultant reduction in gaming taxes payable to the State of Delaware) had occurred on the first day of such Test Period; and

(H) by increasing Consolidated EBITDA by an amount equal to the amount of all expenditures related to video lottery terminals ("VLTs") incurred by the State of Rhode Island or the State of Delaware as the owner of the VLTs in the Issuer's properties in such states; provided that such amount will be reduced by the amount of Consolidated Net Income, if any, recognized by the Issuer and its Restricted Subsidiaries from the joint venture to be entered into with IGT Global Solutions Corporation in respect of the Issuer's existing Rhode Island properties; provided further that the amount added to Consolidated EBITDA under this clause (H) shall not exceed $25 million in the aggregate during a Test Period.

"*Consolidated Interest Expense*" means, for any Test Period, the sum of interest expense of the Issuer and its Restricted Subsidiaries for such Test Period as determined on a consolidated basis in accordance with GAAP, *plus*, to the extent deducted in arriving at Consolidated Net Income and without duplication, (a) the interest portion of payments on Capital Leases, (b) amortization of financing fees, debt issuance costs and interest or deferred financing or debt issuance costs, (c) arrangement, commitment or upfront fees, original issue discount, redemption or prepayment premiums, (d) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, (e) interest with respect to Indebtedness that has been Discharged and any Escrowed Indebtedness, (f) the accretion or accrual of discounted liabilities during such period, (g) interest expense attributable to the movement of the mark-to-market valuation of obligations under Swap Contracts or other derivative instruments, (h) net payments made under Swap Contracts relating to interest rates with respect to such Test Period and any costs associated with breakage in respect of hedging agreements for interest rates, (i) all interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations and financing fees, all as calculated on a consolidated basis in accordance with GAAP, (j) fees and expenses associated with the consummation of the Transactions, (k) costs and fees associated with obtaining Swap Contracts and fees payable thereunder.

"*Consolidated Leverage Ratio*" means, as at any date of determination, the ratio of (a) Consolidated Net Indebtedness as of such date to (b) Consolidated EBITDA for the Test Period most recently ended prior to such date; *provided, however* that for purposes of the amount described in clause (a) above shall be calculated without giving effect to clause (c) of the definition of Consolidated Net Indebtedness.

"*Consolidated Net Income*" means, for any Test Period, the aggregate of the net income of the Issuer and its Restricted Subsidiaries for such Test Period, on a consolidated basis, determined in accordance with GAAP; *provided* that, without duplication:

(1) any gain or loss (together with any related provision for taxes thereon) realized in connection with (i) any asset sale outside the ordinary course of business or (ii) any disposition of any securities by such Person or any of its Restricted Subsidiaries shall be excluded;

(2) any extraordinary gain or loss (together with any related provision for taxes thereon) shall be excluded;

(3) the net income of any Person that (i) is not a Restricted Subsidiary, (ii) is accounted for by the equity method of accounting, (iii) is an Unrestricted Subsidiary or (iv) is a Restricted Subsidiary (or former Restricted Subsidiary) with respect to which a Trigger Event has occurred following the occurrence and during the continuance of such Trigger Event shall be excluded; *provided* that Consolidated Net Income of the Issuer and its Restricted Subsidiaries shall be increased by the amount of dividends or distributions or other payments (including management fees) that are

actually paid or are payable in cash to the Issuer or a Restricted Subsidiary thereof in respect of such period by such Persons (or to the extent converted into cash);

(4) the undistributed earnings of any Restricted Subsidiary of the Issuer that is not a Guarantor to the extent that, on the date of determination the payment of cash dividends or similar cash distributions by such Restricted Subsidiary (or loans or advances by such subsidiary to any parent company) are not permitted by the terms of any Contractual Obligation (other than under the indenture) or Requirement of Law applicable to such Restricted Subsidiary shall be excluded, unless such restrictions with respect to the payment of cash dividends and other similar cash distributions have been waived; *provided* that Consolidated Net Income of the Issuer and its Restricted Subsidiaries shall be increased by the amount of dividends or distributions or other payments (including management fees) that are actually paid or are payable in cash to the Issuer or a Restricted Subsidiary (not subject to such restriction) thereof in respect of such period by such Restricted Subsidiaries (or to the extent converted into cash);

(5) any goodwill or other asset impairment charges or other asset write-offs or write downs, including any resulting from the application of Accounting Standards Codification Nos. 350 and 360, and any expenses or charges relating to the amortization of intangibles as a result of the application of Accounting Standards Codification No. 805, shall be excluded;

(6) any non-cash charges or expenses related to the repurchase of stock options to the extent not prohibited by the indenture, and any non-cash charges or expenses related to the grant, issuance or repricing of, or any amendment or substitution with respect to, or otherwise in respect of, stock appreciation or similar rights, stock options, restricted stock, or other Equity Interests or other equity based awards or rights or equivalent instruments, shall be excluded;

(7) the cumulative effect of a change in accounting principles shall be excluded;

(8) any expenses or reserves for liabilities shall be excluded to the extent that the Issuer or any of its Restricted Subsidiaries is entitled to indemnification therefor under binding agreements; *provided* that any such liabilities for which the Issuer or any of its Restricted Subsidiaries is not actually indemnified shall reduce Consolidated Net Income for the period in which it is determined that the Issuer or such Restricted Subsidiary will not be indemnified (to the extent such liabilities would otherwise reduce Consolidated Net Income without giving effect to this clause (8));

(9) losses, to the extent covered by insurance and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (i) not denied by the applicable carrier in writing within 180 days and (ii) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption shall be excluded;

(10) gains and losses resulting solely from fluctuations in currency values and the related tax effects shall be excluded, and charges relating to Accounting Standards Codification Nos. 815 and 820 shall be excluded;

(11) the net income (or loss) of a Restricted Subsidiary that is not a Wholly Owned Subsidiary shall be included in an amount proportional to the Issuer's economic ownership interest therein; and

(12) the transaction fees and expenses relating to prior financing activities and the Gamesys Acquisition, in each case as required by the Rule 2.7 Announcement dated April 13, 2021 related to the Gamesys Acquisition or as otherwise described in this offering memorandum, shall be included.

Notwithstanding anything contained herein to the contrary, for purposes of the indenture, Consolidated Net Income shall be calculated by deducting, without duplication of amounts otherwise deducted, rent, insurance, property taxes and other amounts and expenses actually paid in cash under any Gaming/Racing Lease (and any Guarantee or support arrangement in respect thereof) in the applicable Test Period and no deductions in calculating Consolidated Net Income shall occur as a result of imputed interest, amounts

under any such Gaming/Racing Lease (and any Guarantee or support arrangement in respect thereof) not paid in cash during the relevant Test Period or other non-cash amounts incurred in respect of such Gaming/Racing Lease (and any Guarantee or support arrangement in respect thereof); provided that any "true-up" of rent paid in cash pursuant to such Gaming/Racing Lease shall be accounted for in the fiscal quarter to which such payment relates as if such payment were originally made in such fiscal quarter.

"*Consolidated Net Indebtedness*" means, as at any date of determination, (a) the aggregate amount of all Indebtedness of the Issuer and its Restricted Subsidiaries (other than any such Indebtedness that has been Discharged and any Escrowed Indebtedness) on such date, in an amount that would be reflected on a balance sheet on such date prepared on a consolidated basis in accordance with GAAP, consisting of Indebtedness for borrowed money, obligations in respect of Capital Leases, purchase money Indebtedness, Indebtedness evidenced by promissory notes and similar instruments and Contingent Obligations in respect of any of the foregoing (to be included only to the extent set forth in clause (iii) below), *minus* (b) Unrestricted Cash, *minus* (c) Development Expenses (x) of the type in clause (a) of the definition thereof and (y) to the extent paid using Unrestricted Cash or the proceeds of Indebtedness that was previously included in clause (a) of the definition thereof, of the type in clause (b) in such definition thereof (excluding Development Expenses that consist of Unrestricted Cash that was deducted from Consolidated Net Indebtedness pursuant to clause (b) above, if any); *provided* that (i) Consolidated Net Indebtedness shall not include (A) Indebtedness in respect of letters of credit (including Letters of Credit), except to the extent of unreimbursed amounts thereunder or (B) Indebtedness of the type described in clause (i) of the definition thereof, (ii) the amount of Consolidated Net Indebtedness, in the case of Indebtedness of a Restricted Subsidiary that is not a Wholly Owned Subsidiary, shall be reduced by an amount directly proportional to the amount (if any) by which Consolidated EBITDA was reduced (including through the calculation of Consolidated Net Income) in respect of such non-controlling interest in such Restricted Subsidiary owned by a Person other than the Issuer or any of its Restricted Subsidiaries, (iii) Consolidated Net Indebtedness shall not include Contingent Obligations, *provided, however*, that if and when any such Contingent Obligation that does not constitute Consolidated Net Indebtedness is demanded for payment from the Issuer or any of its Restricted Subsidiaries, then the amounts of such Contingent Obligation shall be included in such calculations of Consolidated Net Indebtedness and (iv) the amount of Consolidated Net Indebtedness, in the case of Indebtedness of a Subsidiary of the Issuer that is not a Guarantor and which Indebtedness is not guaranteed by the Issuer or any Guarantor in an amount in excess of the proportion of such Indebtedness that would not be so excluded shall be reduced by an amount directly proportional to the amount by which Consolidated EBITDA was reduced due to the undistributed earnings of such Subsidiary being excluded from Consolidated Net Income pursuant to clause (4) thereof.

"*Consolidated Secured Leverage Ratio*" means, as at any date of determination, the ratio of (a) Consolidated Secured Net Indebtedness as of such date to (b) Consolidated EBITDA for the Test Period most recently ended prior to such date.

"*Consolidated Secured Net Indebtedness*" means Consolidated Net Indebtedness *minus* the sum of the portion of Indebtedness of the Issuer or any Restricted Subsidiary included in Consolidated Net Indebtedness that is not secured by any Lien on property or assets of the Issuer or any Restricted Subsidiary.

"*Contingent Obligation*" means as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; or (d) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided*, *however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business and any lease guarantees executed in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation

for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated potential liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Core Property*" means, collectively, (i) Twin River Casino Hotel, (ii) Tiverton Casino Hotel, (iii) Dover Downs Hotel Casino, (iv) Hard Rock Biloxi, (v) Black Hawk Casinos (includes the Golden Gates, Golden Gulch and Mardi Gras Casinos), (vi) Casino KC, (vii) Casino Vicksburg, (viii) Bally's Atlantic City, (ix) Eldorado Resort Casino Shreveport, (x) Bally's Lake Tahoe Casino Resort, (xi) Jumer's Casino and Hotel, and (xii) Tropicana Evansville.

"*Credit Facility*," or "*Credit Facilities*" means, one or more debt facilities (including, without limitation, the Senior Credit Facilities), indentures, notes, notes purchase agreements or commercial paper facilities, in each case, with banks or other institutional lenders or accredited investors or institutional investors providing for revolving credit loans, term loans, term debt, debt securities, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, extended, increased, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"*DBR*" *means* the State of Rhode Island Department of Business Regulation.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value of non-cash consideration received by the Issuer or any of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an officer's certificate setting forth the basis of such valuation, executed by a financial officer of the Issuer, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Non-Cash Consideration.

"*Development Expenses*" means without duplication, the aggregate principal amount, not to exceed $200.0 million at any time, of (a) outstanding Indebtedness incurred after the Issue Date, the proceeds of which, at the time of determination are pending application and are required or intended to be used to fund and (b) amounts spent after the Issue Date (whether funded with the proceeds of Indebtedness, cash flow or otherwise) to fund, in each case, (i) Expansion Capital Expenditures of the Issuer or any Restricted Subsidiary, (ii) a Development Project or (iii) interest, fees or related charges with respect to such Indebtedness; *provided* that (A) the Issuer or the Restricted Subsidiary or other Person that owns assets subject to the Expansion Capital Expenditure or Development Project, as applicable, is diligently pursuing the completion thereof and has not at any time ceased construction of such Expansion Capital Expenditure or Development Project, as applicable, for a period in excess of 90 consecutive days (other than as a result of a force majeure event or inability to obtain requisite Gaming/Racing Approvals or other governmental authorizations, so long as, in the case of any such Gaming/Racing Approvals or other governmental authorizations, the Issuer or a Restricted Subsidiary or other applicable Person is diligently pursuing such Gaming/Racing Approvals or governmental authorizations), (B) no such Indebtedness or funded costs shall constitute Development Expenses with respect to an Expansion Capital Expenditure or a Development Project from and after the end of the first full fiscal quarter after the completion of construction of the applicable Expansion Capital Expenditure or Development Project or, in the case of a Development Project or Expansion Capital Expenditure that was not open for business when construction commenced, from and after the end of the first full fiscal quarter after the date of opening of such Development Project or Expansion Capital Expenditure, if earlier, and (C) in order to avoid duplication, it is acknowledged that to the extent that the proceeds of any Indebtedness referred to in clause (a) above have been applied (whether for the purposes described in clauses (i), (ii) or (iii) above or any other purpose), such Indebtedness shall no longer constitute Development Expenses under clause (a) above (it being understood, however, that any such

application in accordance with clauses (i), (ii) or (iii) above shall, subject to the other requirements and limitations of this definition, constitute Development Expenses under clause (b) above).

"*Development Project*" means Investments, directly or indirectly, (a) in any Joint Ventures or Unrestricted Subsidiaries in which the Issuer or any of its Restricted Subsidiaries, directly or indirectly, has control or with whom it has a management, development or similar contract (or an agreement to enter into such a management, development or similar contract) and, in the case of a Joint Venture, in which the Issuer or any of its Restricted Subsidiaries owns (directly or indirectly) at least 25% of the Equity Interest of such Joint Venture, or (b) in, or expenditures with respect to, casinos, "racinos," full-service casino resorts, non-gaming resorts, entertainment or retail developments, distributed gaming applications or taverns or Persons that own casinos, "racinos," full-service casino resorts, non-gaming resorts, entertainment or retail developments, distributed gaming applications or taverns (including casinos, "racinos," full-service casino resorts, non-gaming resorts, entertainment or retail developments, distributed gaming applications or taverns in development or under construction that are not presently open or operating) with respect to which the Issuer or any of its Restricted Subsidiaries will directly manage the development thereof or (directly or indirectly through Subsidiaries) the Issuer or any of its Restricted Subsidiaries has entered into a management, development or similar contract (or an agreement to enter into such a management, development or similar contract) and such contract remains in full force and effect at the time of such Investment, though it may be subject to regulatory approvals, in each case, used to finance, or made for the purpose of allowing such Joint Venture, Unrestricted Subsidiary, casino, "racino," full-service casino resort, non-gaming resort, entertainment or retail development, distributed gaming application or tavern, as the case may be, to finance the purchase or other acquisition or construction of any fixed or capital assets or the refurbishment of existing assets or properties that develops, adds to or significantly improves the property of such Joint Venture, Unrestricted Subsidiary, casino, "racino," full-service casino resort, non-gaming resort, entertainment or retail development, distributed gaming application or tavern and assets ancillary or related thereto, or the construction and development of a casino, "racino," full-service casino resort, non-gaming resort, entertainment or retail development, distributed gaming application, tavern or assets ancillary or related thereto and including Pre-Opening Expenses with respect to such Joint Venture, Unrestricted Subsidiary, casino, "racino," full-service casino resort, non-gaming resort, entertainment or retail development, distributed gaming application or tavern and other fees and payments to be made to such Joint Venture, Unrestricted Subsidiary or the owners of such casino, "racino," full-service casino resort, non-gaming resort, entertainment or retail development, distributed gaming application or tavern.

"*Discharged*" means Indebtedness that has been defeased (pursuant to a contractual or legal defeasance) or discharged pursuant to the prepayment or deposit of amounts sufficient to satisfy such Indebtedness as it becomes due or irrevocably called for redemption (and regardless of whether such Indebtedness constitutes a liability on the balance sheet of the obligors thereof); *provided, however*, that the Indebtedness shall be deemed Discharged if the payment or deposit of all amounts required for defeasance or discharge or redemption thereof have been made even if certain conditions thereto have not been satisfied, so long as such conditions are reasonably expected to be satisfied within 95 days after such prepayment or deposit.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes of each series mature.

Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a Change of Control, an Asset Sale or an event of loss will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "— Certain Covenants — Restricted Payments." The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the indenture is the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends. Disqualified Stock shall not include any shares of Capital Stock, which, after the issuance thereof,

become subject to mandatory redemption due to the actions or requirements of any Gaming/Racing Authority, to the extent that such issuance was made in compliance with applicable laws and, at the time of such issuance, such Capital Stock did not constitute Disqualified Stock.

"*Dividing Person*" has the meaning assigned to it in the definition of "*Division*."

"*Division*" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"*Division of Lotteries*" means the Division of Lotteries of the State of Rhode Island Department of Revenue.

"*Division Successor*" means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Issuer (a) that was formed under the laws of the United States or any state of the United States or the District of Columbia and does not constitute an Immaterial Subsidiary, a CFC Holdco, or a Subsidiary of a CFC, or (b) that directly or indirectly, guarantees, or pledges any property or assets to secure Indebtedness incurred under a Credit Facility.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means a public or private sale of Equity Interests of the Issuer by the Issuer (other than Disqualified Stock and other than to a Subsidiary of the Issuer).

"*Escrow Accounts*" means the Gamesys Purchase Portion Escrow Account and the Interest Escrow Account.

"*Escrow Agreements*" means the Gamesys Purchase Portion Escrow Agreement and the Interest Escrow Agreement.

"*Escrow Co-Issuer*" refers to Premier Entertainment Finance Corp.

"*Escrow Issuers*" means, collectively, the Escrow LLC Issuer and the Escrow Co-Issuer.

"*Escrow LLC Issuer*" refers to Premier Entertainment Sub, LLC.

"*Escrow Period*" means that period beginning on the Issue Date and ending on the Escrow Release Date.

"*Escrowed Indebtedness*" means Indebtedness issued in escrow pursuant to customary escrow arrangements pending the release thereof.

"*Expansion Capital Expenditures*" means any capital expenditure by the Issuer or any of its Restricted Subsidiaries in respect of the purchase, construction, development or other acquisition of any fixed or capital assets or the refurbishment of existing assets or properties that, in the Issuer's reasonable determination, adds to or significantly improves (or is reasonably expected to add to or significantly improve) the property of the Issuer and its Restricted Subsidiaries, excluding any such capital expenditures financed with Net Proceeds of an Asset Sale and excluding capital expenditures made in the ordinary course made to maintain, repair, restore or refurbish the property of the Issuer and its Restricted Subsidiaries in its then existing state or to support the continuation of such Person's day to day operations as then conducted.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, which shall be determined in good faith by the Board of Directors of the Issuer if expected to be greater than $35.0 million.

"*FF&E*" means furniture, fixtures and equipment used in the ordinary course of business in the operation of a Permitted Business.

"*FF&E Financing*" means Indebtedness, the proceeds of which will be used solely to finance or refinance the acquisition or lease by the Issuer or a Restricted Subsidiary of the Issuer of FF&E.

"*Fitch*" means Fitch Ratings Ltd. and any successor to its rating agency business.

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated on a Pro Forma Basis.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of original issue discount or premium, non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations or other derivative instruments pursuant to Accounting Standards Codification Nos. 815 and 820), the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates but excluding any amortization or write-off of deferred financing costs or debt issuance costs and excluding commitment fees, underwriting fees, assignment fees, debt issuance costs or fees, redemption or prepayment premiums, and other transaction expenses or costs or fees consisting of Transaction Activities associated with undertaking, or proposing to undertake, any Transaction Activity; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer, *times* (b) a fraction, the numerator of which is one *minus* the then current combined, federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case determined on a consolidated basis in accordance with GAAP.

"*Foreign Subsidiary*" means each Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof, or the District of Columbia.

"*GAAP*" means generally accepted accounting principles set forth as of the relevant date in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), including, without limitation, any Accounting Standards Codifications, which are applicable to the circumstances as of the date of determination.

"*Gamesys*" means Gamesys Group plc.

"*Gamesys Acquisition*" means the acquisition by the Company of all of the issued and to be issued ordinary share capital of Gamesys.

"*Gamesys Purchase Portion Escrow Account*" means a segregated account containing an amount sufficient to cover the cash portion of the purchase price of the Gamesys Acquisition that includes only cash and Cash Equivalents, the proceeds thereof and interest earned thereon, free from all Liens other than the Lien in favor of the trustee for the benefit of the holders of the Notes.

"*Gamesys Purchase Portion Escrow Agreement*" means that certain escrow agreement relating to the Gamesys Purchase Portion Escrow Account dated the Issue Date, among each of the Escrow Issuers, the Financial Advisor, the Escrow Agent and the Trustee.

"*Gaming/Racing Lease*" means any lease entered into for the purpose of the Issuer or any of its Restricted Subsidiaries to acquire (including pursuant to a sale and leaseback transaction) the right to occupy and use real property, vessels or similar assets for, or in connection with, the construction, development or operation of Gaming/Racing Facilities.

"*Gaming/Racing Authority*" means the applicable gaming, lottery, racing and/or consumer protection board, commission, department, division or other federal, state, local or foreign governmental agency or regulatory body responsible for the administration, execution and administrative enforcement of, or otherwise having licensing or regulatory authority with respect to, the Gaming/Racing Laws applicable to Issuer or any of its Subsidiaries.

"*Gaming/Racing Facility*" means, collectively, (i) each Core Property and (ii) any other casino or other gaming, wagering or racing establishment or operation owned, managed or operated by Issuer or any of its Restricted Subsidiaries from time to time.

"*Gaming/Racing Laws*" means, as clarified and supplemented by the Comfort Letters, as applicable, all laws, rules, regulations, ordinances, orders, decrees and other enactments applicable to the lottery, gambling, gaming, betting (including but not limited to sports betting), wagering (including but not limited to pari-mutual wagering), fantasy sports or simulcasting operations, as in effect from time to time, including the policies, amendments, rulings, consents, interpretations, orders, decisions, directives, judgments, awards, decrees, administration or similar issuances thereof by any Gaming/Racing Authority, owned, developed, leased, managed, operated, hosted or supplied (directly or indirectly) or proposed to be owned, developed, leased, managed, operated, hosted or supplied by Issuer or any of its Subsidiaries.

"*Gaming/Racing License*" means any licenses, permits, franchises, approvals, findings of suitability or other authorizations from, or report or filing with, any Gaming/Racing Authority or any other federal, state, local or foreign governmental agency or regulatory body required to own, develop, lease, manage, operate, host or supply (directly or indirectly) any lottery, gambling, betting (including but not limited to sports betting), wagering (including but not limited to pari-mutuel wagering), fantasy sports or simulcasting operation owned, developed, leased, managed, operated, hosted or supplied, or proposed to be owned, developed, leased, managed, operated, hosted or supplied by Issuer or any of its Subsidiaries or required by Gaming/ Racing Laws, as clarified and supplemented by the Comfort Letters to the extent applicable.

"*Government Securities*" means securities that are direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged.

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Guarantors*" means any Subsidiary of the Issuer that executes a Note Guarantee in accordance with the provisions of the indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the indenture.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to (1) any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in interest rates, (2) agreements or arrangements designed to protect such Person against fluctuations in foreign currency exchange rates in the conduct of its operations, or (3) any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in commodity prices, in each case entered into in the ordinary course of business for bona fide hedging purposes and not for purposes of speculation.

"*Immaterial Subsidiary*" means (a) as of the Issue Date, those Subsidiaries of the Issuer which are designated by the Issuer as "Immaterial Subsidiary"; *provided* that no Person shall be so designated (or in the cases of clauses (i), (ii), (iii) and (iv) below, if already designated, remain), if, as of the date of its designation (or if already designated, as of any date following such designation) (i) (x) such Person's (1) Consolidated EBITDA for the then most recently ended Test Period is in excess of 2.5% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries or (2) Consolidated Total Assets as of the last day of the then most recently ended Test Period is in excess of 2.5% of the Consolidated Total Assets of the Issuer and its Restricted Subsidiaries on a consolidated basis and (y) when such Person is taken together with all other Immaterial Subsidiaries as of such date, all such Immaterial Subsidiaries' (1) Consolidated EBITDA for the then most recently ended Test Period is in excess of 10.0% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries or (2) Consolidated Total Assets as of the last day of the then most recently ended Test Period is in excess of 10.0% of the Consolidated Total Assets of the Issuer and its Restricted Subsidiaries on a consolidated basis, (ii) it owns, leases or operates any portion (other than *de minimis* assets) of any Core Property or owns any Equity Interests in any Guarantor, (iii) it owns any material assets which are used in connection with any Gaming/Racing Facility (other than a Gaming/Racing Facility with 200 gaming machines or less), (iv) it owns any Real Property which would be required to be a collateral under the Senior Credit Facilities hereunder if such Subsidiary were not an Immaterial Subsidiary or (v) any Event of Default has occurred and remains continuing.

"*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 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; (g) all net obligations of such Person in respect of Swap Contracts; (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 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 (v) Permitted Non-Recourse Guarantees shall not constitute Indebtedness, (w) the pledge of the Equity Interests in any Unrestricted Subsidiary, Restricted Subsidiary that is not a Guarantor or Joint Venture to secure Indebtedness or other obligations of any Unrestricted Subsidiary, Restricted Subsidiary that is not a Guarantor or Joint Venture and/or any Permitted Non-Recourse Guarantees shall not constitute Indebtedness of the pledgor solely due to the granting of such pledge, (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 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 Leases pursuant to GAAP and Gaming/Racing Leases (and any guarantee or support arrangement in respect thereof) shall not constitute Indebtedness hereunder regardless of the characterization thereof pursuant to GAAP.

"*Interactive Unrestricted Subsidiary*" means (a) Bally's Interactive, LLC, together with each of its subsidiaries and successors and (b) Fantasy Sports Shark, LLC, together with each of its subsidiaries and successors.

"*Interactive Unrestricted Subsidiary Sale*" means the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) (for the avoidance of doubt, other than any such sale, conveyance or transfer that would have been excluded from "Asset Sale" were it made by a Restricted Subsidiary) of (a) any of the property or assets of any Interactive Unrestricted Subsidiary or (b) any of the Equity Interests in the Interactive Unrestricted Subsidiary.

"*Interactive Unrestricted Subsidiary Sale Proceeds*" means the aggregate cash proceeds received by the Issuer or any Interactive Unrestricted Subsidiary from any Interactive Unrestricted Subsidiary Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any non-cash consideration received in any Interactive Unrestricted Subsidiary Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding the assumption by the acquiring Person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form).

"*Internal Revenue Code*" means the Internal Revenue Code of 1986, as amended.

"*Interest Escrow Account*" means a segregated account that includes only cash and Cash Equivalents, the proceeds thereof and interest earned thereon, free from all Liens other than the Lien in favor of the trustee for the benefit of the holders of the Notes.

"*Interest Escrow Agreement*" means that certain escrow agreement relating to the Interest Escrow Account dated the Issue Date, among each of the Escrow Issuers, the Escrow Agent and the trustee.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's (or any successor to the rating agency business thereof), BBB — (or the equivalent) by S&P (or any successor to the rating agency business thereof), and BBB — (or the equivalent) by Fitch (or any successor to the rating agency business thereof).

"*Investment Grade Status*" means, with respect to any series of Notes, any time at which the ratings of such series of Notes by at least two of Moody's (or any successor to the rating agency business thereof), S&P (or any successor to the rating agency business thereof) or Fitch (or any successor to the rating agency business thereof) are Investment Grade Ratings.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Issuer or any Restricted Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no

longer a Restricted Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "— Certain Covenants — Restricted Payments." The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "— Certain Covenants — Restricted Payments." Except as otherwise provided in the indenture, the amount of an Investment will be the original cost of such Investment, *plus* the cost of all additions thereto and *minus* the amount of any portion of such Investment repaid to the Person making such Investment in cash as a repayment of principal or return of capital, as the case may be, but without giving effect to subsequent changes in value.

"*Issue Date*" means August 20, 2021.

"*Joint Venture*" means any Person, other than an individual or a Wholly Owned Subsidiary of the Issuer, in which the Issuer or a Restricted Subsidiary or the Issuer (directly or indirectly) holds or acquires an ownership interest (whether by way of capital stock, partnership or limited liability company interest, or other evidence of ownership).

"*Leased Property*" means any leased Property under any Gaming/Racing Lease.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, or any lease in the nature thereof; *provided* that in no event shall any operating lease or any Gaming/Racing Lease (or any guarantee or support arrangement in respect thereof) be deemed to be a Lien.

"*Limited Condition Transaction*" means any acquisition or other Investment, including by way of purchase, merger, amalgamation or consolidation or similar transaction, by the Issuer or one or more of its Restricted Subsidiaries, with respect to which the Issuer or any such Restricted Subsidiaries have entered into an agreement or is otherwise contractually committed to consummate and the consummation of which is not expressly conditioned upon the availability of, or on obtaining, third party financing.

"*Moody's*" means Moody's Investors Service, Inc.

"*Net Proceeds*" means the aggregate cash proceeds and Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received in any Asset Sale and any Interactive Unrestricted Subsidiary Sale Proceeds), net of (i) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, (ii) taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, (iii) amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility, secured by a Lien on the asset or assets that were the subject of such Asset Sale, (iv) all distributions to other holders of Equity Interests in Restricted Subsidiaries contractually required to be made as a result of such Asset Sale, (v) any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with GAAP and (vi) amounts reserved, in accordance with GAAP, against any liabilities associated with the Asset Sale and related thereto, including pension and other retirement benefit liabilities, purchase price adjustments, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale; *provided* that Net Proceeds shall include any cash payments received upon the reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount) of any reserve described in clause (vi) or, if such liabilities have not been satisfied in cash and such reserve is not reversed within eighteen (18) months after such Asset Sale, the amount of such reserve.

"*Non-Recourse Debt*" means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument

that would constitute Indebtedness) or (b) is directly or indirectly liable as a guarantor or otherwise. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries may enter into customary "completion guaranties" or "support agreements" in respect of construction projects undertaken by Unrestricted Subsidiaries so long as such "completion guaranties" or "support agreements:" (i) are unsecured or secured only by cash deposits; (ii) are subject to a fixed liability cap stated in United States dollars; and (iii) the aggregate amount of capped liability of such "completion guaranties" or "support agreements" shall not exceed $25.0 million at any one time outstanding. For avoidance of doubt, any such "completion guaranties" or "support agreements" that satisfy the requirements of the preceding sentence shall constitute "Non-Recourse Debt" for purposes of the definition of Unrestricted Subsidiary.

"*Note Guarantee"* means the Guarantee by each Guarantor of the Issuer's obligations under the indenture and the Notes, executed pursuant to the provisions of the indenture.

"*Notes*" means, collectively, the 2029 Notes and the 2031 Notes.

"*Notes Obligations*" means Obligations in respect of the Notes and the indenture, including, for the avoidance of doubt, Obligations in respect of exchange notes and guarantees thereof (including all interest, fees, expenses and other amounts accruing during the pendency of any bankruptcy, insolvency, receivership or other similar case or proceeding, regardless of whether allowed or allowable in such case or proceeding).

"*Notes Proceeds Escrow Agreement*" mean that certain escrow agreement dated as of the Issue Date among Deutsche Bank Trust Company Americas, as escrow agent and securities intermediary, the trustee and the Escrow Issuers.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness (including, without limitation, interest accruing at the then applicable rate provided in such documentation after the maturity of such Indebtedness and interest accruing at the then applicable rate provided in such documentation after the filing of a petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any debtor under such documentation, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding).

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Senior Vice President, any Vice President or any Assistant Vice President of such Person.

"*Officer's Certificate*" means a certificate signed on behalf of the Issuer by an Officer of the Issuer.

"*Parent Entity*" means any Person that is a direct or indirect parent company that owns, directly or indirectly, more than 50% of the total voting power of the Voting Stock of the Issuer.

"*Pari Passu Debt*" means any Indebtedness of the Issuer or any Guarantor that ranks equally in right of payment with the Notes or the Note Guarantee of such Guarantor, as applicable (without giving effect to collateral arrangements).

"*Permitted Acquisition*" means any acquisition, whether by purchase, merger, consolidation or otherwise, by the Issuer or any of its Restricted Subsidiaries of all or substantially all of the business, property or assets of, or of more than 50% of the Equity Interests in, a Person or any division or line of business of a Person so long as (a) immediately after giving pro forma effect to such acquisition and related transactions, no Event of Default has occurred and is continuing or would result therefrom, (b) immediately after giving effect thereto, neither the Issuer nor any Restricted Subsidiary shall directly or indirectly be engaged to any material extent (determined on a consolidated basis) in any line or lines of business activity other than Permitted Business and (c) in the case of a Permitted Acquisition consisting of a purchase or acquisition of the Equity Interests in any Person that does not become a Guarantor hereunder (except to the extent becoming a Guarantor is prohibited by applicable Gaming/Racing Laws) or of an acquisition by a Person that is not the Issuer or a Guarantor (and does not become a Guarantor) hereunder, the consideration (excluding Equity Interests in the Issuer) paid in all such Permitted Acquisitions shall not exceed an aggregate amount equal to the sum of (i) the greater of $100 million and 15% of Consolidated EBITDA at the time of determination

for the Test Period most recently ended *plus* (ii) the amounts available for Investments set forth in clause (23) of the definition of "Permitted Investments."

"*Permitted Business*" means any business of the type in which the Issuer and its Restricted Subsidiaries are engaged or proposed to be engaged on the Issue Date or the Escrow Release Date, or any business reasonably related, incidental or ancillary thereto (including assets or businesses complementary thereto and reasonable expansions and developments thereof).

"*Permitted Holder*" means (a) Standard General L.P. and its affiliates and any funds managed by it or its affiliates ("Standard General Investors"); (b) any person or entity with whom any Standard General Investor forms a "group" (within the meaning of federal securities laws) so long as, in the case of this clause (b), the relevant Standard General Investors (taken as a whole) directly or indirectly beneficially own more than 50% of the relevant voting power of the issued and outstanding Voting Stock of Issuer owned by such "group"; and (c) Sinclair Broadcast Group, Inc. and its affiliates.

"*Permitted Investments*" means:

(1) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary of the Issuer, including by means of a Division; or

  (b) such Person is merged, consolidated or amalgamated with or into, Divided with, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "— Repurchase at the Option of Holders — Asset Sales;"

(5) any Investment the payment of which consists of Equity Interests (other than Disqualified Stock) of the Issuer or proceeds from the sale of such Equity Interests; *provided* that such Equity Interests will not increase the amount available for Investments under clause (c) of the second paragraph under the covenant described in "— Certain Covenants — Restricted Payments;"

(6) receivables owing to the Issuer or its Restricted Subsidiaries, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, including without limitation credit extended to customers;

(7) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes;

(8) Investments represented by Hedging Obligations;

(9) loans and advances to officers, directors and employees for payroll, business-related travel expenses, moving or relocation expenses, drawing accounts and other similar expenses, in each case, made in the ordinary course of business;

(10) other loans or advances to officers, directors, managers and employees in an aggregate principal amount not to exceed $35.0 million at any one time outstanding;

(11) repurchases of any series of Notes;

(12) any guarantee of Indebtedness permitted to be incurred by the covenant entitled "— Certain

Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" other than a guarantee of Indebtedness of an Affiliate of the Issuer that is not a Restricted Subsidiary of the Issuer;

(13) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or the Escrow Release Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date or the Escrow Release Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or the Escrow Release Date or (b) as otherwise permitted under the indenture;

(14) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary of the Issuer of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "— Merger, Consolidation or Sale of Assets" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(15) Permitted Acquisitions;

(16) Investments resulting from the acquisition of a Restricted Subsidiary that was otherwise permitted by the indenture, which Investments were held by such Restricted Subsidiary at the time of such acquisition and were not acquired in contemplation of such acquisition;

(17) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business;

(18) Investments required by a Gaming/Racing Authority or made in lieu of payment of a tax or in consideration of a reduction in tax;

(19) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(20) Investments in Joint Ventures established to develop or operate nightclubs, bars, restaurants, hotels, timeshares, recreation, exercise or gym facilities, or entertainment or retail venues or similar or related establishments or facilities within, in close proximity to or otherwise for the benefit of any Property of the Issuer and its Restricted Subsidiaries (as reasonably determined by Issuer) (*provided* that Investments pursuant to this clause (20) shall not exceed the greater of (x) $110.0 million and (y) 17.5% of Consolidated EBITDA in the aggregate outstanding at any time, *plus* an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment;

(21) Investments in Joint Ventures or other non-Wholly Owned Subsidiaries of Issuer or any of its Restricted Subsidiaries taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding not to exceed the sum of (i) the greater of (x) $110.0 million and (y) 17.5% of Consolidated EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *plus* (ii) any reduction in the amount of such Investments as provided in the definition of "Investments;"

(22) Investments in Unrestricted Subsidiaries taken together with all other Investments made pursuant to this clause (22) that are at that time outstanding not to exceed the sum of (i) the greater of $94.0 million and 15% of Consolidated EBITDA at the time of determination for the Test Period most recently ended (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) *plus* (ii) any reduction in the amount of such Investments as provided in the definition of "Investments";

(23) Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (23) that are at the time outstanding not to exceed the greater of (x) $313.0 million and (y) 50% of Consolidated EBITDA; *provided, however*, that if an Investment made pursuant to this clause (23) is made in any Person that is not a Restricted Subsidiary as of the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (23) for so long as such Person continues to be a Restricted Subsidiary;

(24) guarantee obligations of the Issuer or any of its Restricted Subsidiaries in respect of leases (other than Capital Lease Obligations) and Gaming/Racing Leases;

(25) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice and any earnest money deposits in connection therewith;

(26) any Investment so long as, at the time the Investment is made and after giving effect thereto, (i) no Event of Default has occurred and is continuing and (y) the Consolidated Leverage Ratio of the Issuer is less than or equal to 4.90 to 1.00 on a Pro Forma Basis;

(27) Permitted Non-Recourse Guarantees and the granting of Liens on the Equity Interests of Unrestricted Subsidiaries, Restricted Subsidiaries that are not Guarantors and Joint Ventures to secure Indebtedness and other obligations of Unrestricted Subsidiaries, Restricted Subsidiaries that are not Guarantors and Joint Ventures and Permitted Non-Recourse Guarantees; and

(28) Investments constituting a Permitted Reorganization Transaction.

"*Permitted Liens*" means:

(1) Liens securing Permitted Debt incurred pursuant to and outstanding under clause (1) of the second paragraph of the covenant described above under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock;"

(2) (a) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business; (b) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of insurance or social security or premiums with respect thereto (and Liens on proceeds of related policies); (c) Liens imposed by Gaming/Racing Laws or Gaming/Racing Authorities, and Liens on deposits made to secure Gaming/Racing License applications or to secure the performance of surety or other bonds; and (d) Liens securing obligations with respect to letters of credit issued in connection with any of the items referred to in this clause (2);

(3) Liens in favor of the Issuer or the Guarantors;

(4) Liens on property or assets (including Capital Stock) of a Person (or its Subsidiaries) existing at the time such Person is merged or amalgamated with or into or consolidated with the Issuer or any Subsidiary of the Issuer or otherwise becomes a Subsidiary of the Issuer and amendments or modifications thereto and replacements or refinancings thereof; *provided* that such Liens were not granted in connection with, or in anticipation of, such merger or consolidation or acquisition (except for Liens securing Indebtedness incurred pursuant to clause (17) of the second paragraph of the covenant entitled "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock") and do not extend to any assets other than those of such Person (and its Subsidiaries) merged into or consolidated with the Issuer or the Subsidiary or which becomes a Subsidiary of the Issuer;

(5) Liens (including extensions, renewals or replacements thereof) on property existing at the time of acquisition of the property by the Issuer or any Subsidiary of the Issuer; *provided* that (except for Liens securing Indebtedness incurred pursuant to clause (17) of the second paragraph of the

covenant entitled "— Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock") such Liens were in existence prior to, or not incurred in contemplation of, such acquisition;

(6) Liens to secure Indebtedness (including Capital Lease Obligations and FF&E Financing) permitted by clause (4) of the second paragraph of the covenant entitled "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" covering only the assets acquired with or financed by such Indebtedness (and directly related assets, including proceeds (including insurance proceeds) and replacements thereof or assets which were financed with Indebtedness permitted by such clause that has been refinanced (including successive refinancings));

(7) Liens existing on the Issue Date or the Escrow Release Date;

(8) Liens for taxes, assessments or governmental charges, levies or claims that are not yet due and payable or delinquent or that are being contested in good faith by appropriate proceedings; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(9) Liens imposed by law, such as carriers', warehousemen's, materialmen's, repairmen's, supplier's, construction, landlord's and mechanics' or other like liens, in each case, incurred in the ordinary course of business;

(10) survey exceptions, easements, encroachments, subdivisions or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of Real Property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(11) Liens created for the benefit of (or to secure) any series of the Notes (or the Note Guarantees);

(12) Liens to secure any Permitted Refinancing Indebtedness (and customary obligations related thereto); *provided, however,* that the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (*plus* improvements and accessions to, such property or proceeds or distributions thereof);

(13) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(14) filing of Uniform Commercial Code financing statements as a precautionary measure in connection with operating leases;

(15) bankers' Liens, rights of setoff, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(16) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(17) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(18) grants of software and other technology licenses in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(20) other Liens incidental to the conduct of the business of the Issuer and its Subsidiaries or the ownership of their Properties which were not created in connection with the incurrence of

Indebtedness and do not in the aggregate materially detract from the value of such Properties or materially impair the use thereof;

(21) Liens securing obligations to the trustee pursuant to the compensation and indemnity provisions of the indenture and Liens owing to an indenture trustee in respect of any other Indebtedness permitted to be incurred under the covenant entitled "— Incurrence of Indebtedness and Issuance of Preferred Stock";

(22) Liens disclosed by the title insurance policies delivered on or subsequent to the Issue Date pursuant to any Credit Facility and any replacement, extension or renewal of any such Lien; *provided*, that such replacement, extension or renewal Lien shall not cover any property other than the property that was subject to such Lien prior to such replacement, extension or renewal; *provided*, further, that the Indebtedness and other obligations secured by such replacement, extension or renewal Lien are permitted by the indenture;

(23) pledges or deposits made in connection with any letter of intent or purchase agreement;

(24) Liens to secure Indebtedness permitted by clause (12) or (24) of the second paragraph of the covenant entitled "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock;" *provided* that such Liens to secure Indebtedness permitted by clause (24) do not encumber any property other than the Property of any Joint Venture and the Equity Interests in the applicable Joint Venture;

(25) Liens securing Hedging Obligations that are incurred in the ordinary course of business (and not for speculative purposes);

(26) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(27) Liens securing customary cash management obligations not otherwise prohibited by the indenture governing the Notes;

(28) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under the indenture governing the Notes;

(29) Liens on Equity Interests in an Unrestricted Subsidiary to the extent that such Liens secure Non-Recourse Debt or other Indebtedness of an Unrestricted Subsidiary or Joint Venture or Permitted Non-Recourse Debt;

(30) Liens on securities constituting "margin stock" within the meaning of Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System, to the extent that(i) prohibiting such Liens would result in the classification of the obligations of the Issuer under the notes as a "purpose credit" and (ii) the Investment by the Issuer in such margin stock is permitted by the indenture;

(31) Permitted Vessel Liens;

(32) Liens arising under applicable Gaming/Racing Laws; *provided*, *however*, that no such Lien constitutes a Lien securing repayment of Indebtedness for borrowed money;

(33) Liens with respect to obligations incurred at a time that the Issuer's Consolidated Secured Leverage Ratio is not greater than 4.00 to 1.00 after giving pro forma effect to the incurrence of such obligation;

(34) licenses of intellectual property granted by the Issuer or any Restricted Subsidiary in the ordinary course of business and not interfering in any material respect with the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries, taken as a whole;

(35) (i) Liens pursuant to any Gaming/Racing Leases or any other 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, any gaming assets and/or other property of the lessee 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 and (ii) Liens on cash and Cash 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;

(36) Liens securing Indebtedness; *provided*, that the principal amount of such Indebtedness secured pursuant to this clause (36) together with all other Indebtedness then outstanding and incurred under this clause (36) does not to exceed the greater of (i) $204.0 million and (ii) 32.5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended prior to such date; and

(37) Liens securing Escrowed Indebtedness permitted by clause (9) of the second paragraph of the covenant described above under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock."

"*Permitted Non-Recourse Guarantees*" means customary indemnities or guarantees (including by means of separate indemnification agreements or carveout guarantees) provided by the Issuer or any of its Restricted Subsidiaries in financing transactions that are directly or indirectly secured by real property or other real property-related assets (including Equity Interests) of a Joint Venture, non-Wholly Owned Subsidiary or Unrestricted Subsidiary and that may be full recourse or non-recourse to the Joint Venture, non-Wholly Owned Subsidiary or Unrestricted Subsidiary that is the borrower in such financing, but is nonrecourse to the Issuer or any Restricted Subsidiary of the Issuer except for recourse to the Equity Interests in such Joint Venture, non-Wholly Owned Subsidiary or Unrestricted Subsidiary and/or such indemnities and limited contingent guarantees as are consistent with customary industry practice (such as environmental indemnities, bad act loss recourse and other recourse triggers based on violation of transfer restrictions and bankruptcy related restrictions).

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness, Disqualified Stock or preferred stock of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) (or, if greater, the committed amount (only to the extent the committed amount could have been incurred or issued on the date of initial incurrence or issuance and was deemed incurred or issued at such time for the purposes of the covenant under the caption "Incurrence of Indebtedness and Issuance of Preferred Stock")) of the Indebtedness, Disqualified Stock or preferred stock renewed, refunded, refinanced, replaced, defeased or discharged (*plus* all accrued interest on the Indebtedness, all accrued or accumulated dividends on the Disqualified Stock or preferred stock, and the amount of all penalties, fees, expenses, costs, discounts and premiums incurred in connection therewith and any original issue discount or debt issuance costs with respect thereto);

(2) other than in connection with a refinancing of any series of the Notes (including any redemption or repurchase) that is financed with Indebtedness under a Credit Facility, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity that is (a) equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness, Disqualified Stock or preferred stock being renewed, refunded, refinanced, replaced, defeased or discharged or (b) more than 90 days after the final maturity date of the applicable series of Notes;

(3) to the extent the Permitted Refinancing Indebtedness refinances (a) Indebtedness that is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes on terms at least as favorable, taken as a whole, to the Holders of Notes as those contained in the documentation governing the Indebtedness being refinanced or (b) Disqualified Stock or preferred stock, such Permitted Refinancing Indebtedness is Disqualified Stock or preferred stock, as applicable; and

(4) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is unsecured, such Permitted Refinancing Indebtedness is unsecured;

provided, however, that, unless otherwise permitted by the indenture governing the Notes, Permitted Refinancing Indebtedness shall not include Indebtedness of the Issuer or any Restricted Subsidiary that refinances debt of a Subsidiary that is not a Guarantor.

"*Permitted Reorganization Transactions*" means any internal reorganization transaction or action by the Issuer or any of its Restricted Subsidiaries in connection with, or reasonably related to, the Gamesys Acquisition, including, without limitation, the repayment of any Indebtedness of Gamesys or its Subsidiaries and the integration of Gamesys and its Subsidiaries into the Issuer's organizational structure, in each case under this clause (b), so long as, after giving effect thereto, the guarantees by the Guarantors, taken as a whole, are not materially impaired (as reasonably determined by the Issuer in good faith).

"*Permitted Vessel Liens*" means maritime Liens on ships, barges or other vessels for damages arising out of a maritime tort, wages of a stevedore, when employed directly by a person listed in 46 U.S.C. Section 31341, crew's wages, salvage and general average, whether now existing or hereafter arising and other maritime Liens which arise by operation of law during normal operations of such ships, barges or other vessels.

"*Person*" means any individual, corporation, partnership, Joint Venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Pre-Opening Expenses*" means, with respect to any fiscal period, the amount of expenses (including Consolidated Interest Expense) incurred with respect to capital projects which are appropriately classified as "pre-opening expenses" on the applicable financial statements of the Issuer and its Subsidiaries for such period.

"*Pro Forma Basis*" means, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with:

(a) Notwithstanding anything to the contrary herein, the Consolidated Leverage Ratio, the Consolidated Secured Leverage Ratio and the Fixed Charge Coverage Ratio shall be calculated in the manner prescribed by this definition;

(b) For purposes of calculating the Consolidated Leverage Ratio, the Consolidated Secured Leverage Ratio and the Fixed Charge Coverage Ratio, Specified Transactions (and the incurrence or repayment of any Indebtedness in connection therewith) that have been made (i) during the applicable Test Period and (ii) subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Test Period. If, since the beginning of any applicable Test Period, any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Consolidated Leverage Ratio, the Consolidated Secured Leverage Ratio and the Fixed Charge Coverage Ratio shall be calculated to give pro forma effect thereto in accordance with this definition.

(c) Whenever pro forma effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a Responsible Officer of the Issuer and include, for the avoidance of doubt, the amount of cost savings, operating expense reductions, other operating improvements and synergies projected by the Issuer in good faith to be realized as a result of specified actions taken or with respect to which steps have been initiated, or are reasonably expected to be initiated, within eighteen (18) months of the closing date of such Specified Transaction (in the good faith determination of the Issuer) (calculated on a pro forma basis as though such cost savings, operating expense reductions, other operating improvements and synergies had been realized during the

entirety of the applicable period), net of the amount of actual benefits realized during such period from such actions; *provided* that, with respect to any such cost savings, operating expense reductions, other operating improvements and synergies, the limitations and requirements set forth in clause (c) of the definition of Consolidated EBITDA (other than the requirement set forth in clause (c) of Consolidated EBITDA that steps have been initiated or taken) shall apply; *provided, further*, that the aggregate amount of additions made to Consolidated EBITDA for any Test Period pursuant to this clause (c) and clause (c) of the definition of "Consolidated EBITDA" shall not (i) exceed 25.0% of Consolidated EBITDA for such Test Period (before giving effect to this clause (c) and clause (c) of the definition of "Consolidated EBITDA") or (ii) be duplicative of one another.

(d) In the event that the Issuer or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, prepayment, retirement, exchange or extinguishment) any Indebtedness included in the calculations of the Consolidated Leverage Ratio, the Consolidated Secured Leverage Ratio or the Fixed Charge Coverage Ratio, as the case may be (in each case, other than Indebtedness incurred or repaid under any revolving credit facility without a corresponding permanent reduction in the commitments with respect thereto), (i) during the applicable Test Period and/or (ii) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then the Consolidated Leverage Ratio, the Consolidated Secured Leverage Ratio and the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, to the extent required, as if the same had occurred on (A) the last day of the applicable Test Period in the case of the Consolidated Leverage Ratio and the Consolidated Secured Leverage Ratio and (B) on the first day of the applicable Test Period in the case of the Fixed Charge Coverage Ratio. Interest on a Capital Lease shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capital Lease in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a London interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Issuer may designate.

"*Property*" means, with respect to any Person, any interest of such Person in any land, property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, Capital Stock in any other Person.

"*Qualifying Equity Interests*" means Equity Interests of the Issuer other than Disqualified Stock.

"*Rating Agency*" means (a) Moody's, S&P or Fitch or (b) if Moody's, S&P or Fitch or all three shall not make a rating on any series of the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody's, S&P or Fitch or all three, as the case may be.

"*Rating Decline*" shall be deemed to have occurred if, at any date within 90 calendar days after the earliest of (x) the occurrence of a Change of Control, (y) the date of public disclosure of the occurrence of a Change of Control and (z) public notice of the intention of the Issuer to effect a Change of Control (the earlier of such events in clauses (x), (y) and (z), the "*Change of Control Time*") (which 90-day period shall be extended for so long as the Issuer's debt ratings are under publicly announced consideration for possible downgrading (or without an indication of the direction of a possible ratings change) by either Moody's, S&P, or Fitch or their respective successors), any series of the Notes no longer have Investment Grade Status.

"*Real Property*" means, as to any Person, all the right, title and interest of such Person in and to land, improvements and appurtenant fixtures, including leaseholds.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revocation*" means the Issuer's revocation of any designation of a Subsidiary as an Unrestricted Subsidiary.

"*Rhode Island Regulatory Agreement*" means that certain Amended and Restated Regulatory Agreement, signed and effective as of November 13, 2019, as thereafter supplemented, clarified, amended and assigned prior to the Issue Date, and as may be further supplemented, clarified, amended and assigned, or amended and restated from time to time.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Senior Credit Facilities*" means the revolving credit facility and term loan facility for which definitive documentation is anticipated to be entered into on the date the Assumption occurs, among the Issuer, as borrower, the lenders from time to time party thereto and Deutsche Bank AG, New York Branch, acting through one or more of its branches or affiliates, as administrative agent and collateral agent thereunder, providing for up to $620.0 million of revolving credit borrowings and up to $1.945 billion of term loan borrowings, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and, in each case, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Issue Date.

"*Specified Transaction*" means (a) any incurrence or repayment of Indebtedness (other than for working capital purposes or under a revolving facility), (b) any Investment that results in a Person becoming a Restricted Subsidiary or an Unrestricted Subsidiary, (c) any Permitted Acquisition or other Acquisition, (d) any Asset Sale or designation of a Restricted Subsidiary that results in a Restricted Subsidiary ceasing to be a Restricted Subsidiary of the Issuer or redesignation of an Unrestricted Subsidiary that results in an Unrestricted Subsidiary becoming a Restricted Subsidiary, (e) any Acquisition or Investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person and (f) any execution, amendment, modification or termination of any Gaming/Racing Lease (or waiver of any provisions thereof).

"*S&P*" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, and its successors.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any Contingent Obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and, after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power, other than with respect to Premier Entertainment Biloxi LLC (dba Hard Rock Hotel and Casino Biloxi) and Premier Entertainment Vicksburg, LLC (dba Casino Vicksburg)) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership,

general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Swap Contract*" means any agreement entered into in the ordinary course of business (as a bona fide hedge and not for speculative purposes) (including any master agreement and any schedule or agreement, whether or not in writing, relating to any single transaction) that is an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swap option, currency option or any other similar agreement (including any option to enter into any of the foregoing) and is designed to protect any Company against fluctuations in interest rates, currency exchange rates, commodity prices, or similar risks (including any Interest Rate Protection Agreement). For the avoidance of doubt, the term "*Swap Contract*" includes, without limitation, any call options, warrants and capped calls entered into as part of, or in connection with, an issuance of convertible or exchangeable debt by the Issuer or its Restricted Subsidiaries.

"*Tax Reduction Event*" means the Issuer or its applicable Restricted Subsidiaries have achieved the requirements as outlined in Section 4815(b)(3)a.1., Title 29 of the Delaware Code to qualify for the reduction in video lottery proceeds required to be returned to the State of Delaware as described in such Section of the Delaware Code and such reduction has become effective.

"*Tax Sharing Agreement*" means that certain Amended and Restated Tax Sharing Agreement, dated as of May 10, 2019, by and among the Issuer and its Subsidiaries, as amended, amended and restated or otherwise modified from time to time.

"*Termination Date*" means the first Business Day following June 30, 2022, or such later date that the Issuer may provide in a written notice to the Trustee from time to time, with such notice to be received by the Trustee no later than five Business Days prior to June 30, 2022 or any applicable extended Termination Date. Notwithstanding the foregoing, in no event may the Termination Date be later than December 31, 2022.

"*Test Period*" means, for any date of determination, the period of the four most recently ended consecutive fiscal quarters of the Issuer and its Restricted Subsidiaries for which quarterly or annual financial statements have been delivered or are required to have been delivered to the Trustee or have been filed with the SEC.

"*Transaction Activity*" means any of the following (and, in each case, whether or not successful): (a) the actual or attempted incurrence of any Indebtedness or the issuance of any Equity Interests by the Issuer or any Restricted Subsidiary, activities related to any such actual or attempted incurrence or issuance, or the issuance of commitments in respect thereof, (b) amending or modifying, or redeeming, refinancing, tendering for, refunding, defeasing (whether by covenant or legal defeasance), discharging, repaying, retiring or otherwise acquiring for value, any Indebtedness prior to the Stated Maturity thereof or any Equity Interests (including any premium, penalty, commissions or fees), (c) the termination of any Hedging Obligations or other derivative instruments or any fees paid to enter into any Hedging Obligations or other derivative instruments or (d) any acquisition or disposition of any Person, property or assets permitted pursuant to the terms of the indenture.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the applicable maturity date, *provided, however*, that if the period from the redemption date to the applicable maturity date, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Triggering Event*" means the transfer of shares of Equity Interests of any Restricted Subsidiary or any Gaming/Racing Facility into trusts or other similar arrangements required by any Gaming/Racing Authority from time to time.

"*Unrestricted Cash*" means, as of any date of determination, the excess of the sum of (x) unrestricted cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries *plus* (y) cash and Cash Equivalents of Issuer and its Restricted Subsidiaries that are restricted in favor of the obligations under the Senior Credit Facilities (which may include cash and Cash Equivalents securing other Indebtedness secured by a Lien on the collateral securing the Senior Credit Facilities); *provided*, *however*, that in no event shall "Unrestricted Cash" be less than zero.

"*Unrestricted Subsidiary*" means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that as of the time of such designation:

(1) such Subsidiary has no Indebtedness other than Non-Recourse Debt (other than "completion guaranties" or "support agreements" that constitute Non-Recourse Debt); and

(2) such Subsidiary does not own Capital Stock or Indebtedness of or hold any Lien on any Property of the Issuer or any Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary so designated.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; *by*

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Subsidiary*" mean, with respect to any Person, any corporation, partnership, limited liability company or other entity of which all of the Equity Interests (other than, in the case of a corporation, directors' qualifying shares or nominee shares required under applicable law) are directly or indirectly owned or controlled by such Person and/or one or more Wholly Owned Subsidiaries of such Person. Unless the context clearly requires otherwise, all references to any Wholly Owned Subsidiary shall mean a Wholly Owned Subsidiary of the Issuer.

BOOK-ENTRY, DELIVERY AND FORM

The notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). The notes also may be offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, the notes will be issued in registered, global form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Rule 144A Global Notes"). Regulation S Notes initially will be represented by one or more temporary notes in registered, global form without interest coupons (collectively, the "Regulation S Temporary Global Notes"). The Rule 144A Global Notes and Regulation S Temporary Global Notes will be deposited upon issuance with the trustee as custodian for The Depository Trust Company ("DTC"), in the contiguous United States and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Restricted Period"), beneficial interests in the Regulation S Temporary Global Notes may be held only through the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("Clearstream") (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Within a reasonable time period after the expiration of the Restricted Period, the Regulation S Temporary Global Notes will be exchanged for one or more permanent notes in registered, global form without interest coupons (collectively, the "Regulation S Permanent Global Notes" and, together with the Regulation S Temporary Global Notes, the "Regulation S Global Notes"; the Regulation S Global Notes and the Rule 144A Global Notes collectively being the "Global Notes") upon delivery to DTC of certification of compliance with the transfer restrictions applicable to the notes and pursuant to Regulation S as provided in the indenture. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "Exchanges between Regulation S Notes and Rule 144A Notes."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form ("Certificated Notes") except in the limited circumstances described below. See "Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions." Regulation S Notes will also bear the legend as described under "Transfer Restrictions." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear

through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, the Company and the trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the trustee nor any agent of the Company or the trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its

beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the trustee or the Company. Neither the Company nor the trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the notes, and the Company and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Company that it will take any action permitted to be taken by a holder of notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Company, the trustee and any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Company fails to appoint a successor depositary;

(2) the Company, at its option, notifies the trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the

depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the registrar a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Transfer Restrictions."

Exchanges between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Restricted Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and

(2) the transferor first delivers to the registrar a written certificate (in the form provided in the indenture) to the effect that the notes are being transferred to a Person:

  (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

  (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

  (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the registrar a written certificate (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the DTC participant through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period.

Same Day Settlement and Payment

The Company will make payments in respect of the notes represented by the Global Notes, including principal, premium, if any, and interest, by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Company will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity

in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Company that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain U.S. federal income tax considerations relevant to the acquisition, ownership, and disposition of the notes. This discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder, administrative pronouncements and judicial decisions, all as of the date hereof and all of which are subject to change or differing interpretation, possibly with retroactive effect, which may result in U.S. federal income tax consequences different from those set forth below. No ruling from the IRS has been or will be sought with respect to the matters below. There can be no assurance that the IRS will not take a different position concerning the U.S. federal income tax consequences of the acquisition, ownership, or disposition of the notes.

This discussion applies only to beneficial owners of the notes that acquire the notes pursuant to this offering for cash upon their initial issuance at their issue price (i.e. the first price at which a substantial amount of the notes is sold for cash to investors (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers)) and hold the notes as "capital assets" within the meaning of the Code (generally, property held for investment). This discussion does not address any non-U.S., U.S. federal non-income (such as estate or gift tax), state, or local tax consequences of the acquisition, ownership, or disposition of the notes, nor does it address all aspects of U.S. federal income taxation that might be important to particular holders in light of their individual circumstances (such as the effects of Section 451(b) of the Code conforming the timing of certain income accruals to financial statements) or the U.S. federal income tax consequences applicable to holders that may be subject to special tax rules, such as banks and other financial institutions, insurance companies, real estate investment trusts, regulated investment companies, tax exempt entities, plans, cooperatives, partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) or investors therein, S corporations or other pass through entities or investors in such entities, brokers or dealers in securities or currencies, traders in securities that elect to use a mark to market method of accounting, beneficial owners who purchase the notes in this offering and whose Existing 2027 Notes are repaid (or redeemed, repurchased, defeased or satisfied and discharged) in connection herewith or whose loans under the Existing Term Loan Facility or Existing Revolving Credit Facility are repaid with the proceeds hereof, persons liable for U.S. federal alternative minimum tax, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, certain former citizens or residents of the United States, persons holding the notes as part of a hedge, conversion transaction, straddle, "synthetic security," integrated transaction or other risk reduction transaction, persons deemed to sell the notes under the constructive sale provisions of the Code, and "controlled foreign corporations" or "passive foreign investment companies" (within the meaning of the Code).

The term "U.S. Holder" means a beneficial owner of a note that is, or is treated as, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) it is subject to the supervision of a court within the United States and one or more "United States persons" (as defined in the Code) have the authority to control all substantial decisions of the trust, or (ii) a valid election is in place under applicable U.S. Treasury regulations to treat such trust as a United States person.

The term "Non-U.S. Holder" means a beneficial owner of a note that is neither a U.S. Holder nor a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes). U.S. Holders and Non-U.S. Holders are referred to collectively as "Holders."

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of a note, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Such entities and partners of such entities should consult their tax advisors about the U.S. federal income tax consequences of the acquisition, ownership, and disposition of a note.

THIS DISCUSSION IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, THE CONSEQUENCES TO THEM OF ACQUIRING, OWNING, OR DISPOSING OF NOTES UNDER U.S. FEDERAL NON-INCOME, NON-U.S., STATE, OR LOCAL TAX LAWS AND TAX TREATIES, AND THE POSSIBLE EFFECTS OF CHANGES IN TAX LAWS.

Effect of Certain Contingencies

In certain circumstances, we may become obligated to pay amounts on the notes in excess of stated principal and interest. See, for example, "Description of the Notes — Repurchase at the Option of Holders — Change of Control." U.S. Treasury regulations provide special rules for "contingent payment debt instruments" which, if applicable, could cause the timing, amount, and character of a Holder's income, gain, or loss with respect to the notes to be different from the consequences discussed below. However, the applicable U.S. Treasury regulations provide that, for purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies (determined as of the date the notes are issued) are ignored. We believe the possibility of making additional payments is remote and/or incidental. Therefore, we do not intend to treat the notes as contingent payment debt instruments. Our treatment will be binding on all Holders, except a Holder that discloses its differing treatment in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which the note was acquired. Our treatment is not binding on the IRS, however, which may take a contrary position and treat the notes as contingent payment debt instruments. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

Effect of the Release of the Escrowed Property and the Assumption

Although not free from doubt, we believe that the transactions that will occur in connection with the release of the Escrowed Property from the Escrow Accounts and the consummation of the Assumption, as described above under "Description of the Notes — Escrow of Proceeds; Escrow Release Condition" should not result in a taxable event for U.S. federal income tax purposes. It is possible, however, that the IRS will take a contrary view and seek to treat the Holders as exchanging the notes for "new" notes in a deemed exchange occurring in connection with Assumption. If such a view were to be sustained, a U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the issue price of the "new" notes and such U.S. Holder's adjusted tax basis in the notes. Such capital gain or loss from the deemed exchange would be short-term capital gain or loss if the U.S. Holder's holding period for the note was one year or less at the time of such deemed exchange. If the notes or "new" notes are treated as "publicly traded" for U.S. federal income tax purposes, then the issue price of the "new" notes would equal their fair market value at the time of the deemed exchange. If the notes or "new" notes are not treated as "publicly traded" for U.S. federal income tax purposes, then the issue price of the "new" notes would equal their principal amount. In addition, a Holder could be treated as acquiring the "new" notes with original issue discount ("OID") for U.S. federal income tax purposes if the stated principal amount at maturity of the "new" notes exceeds their issue price. If the amount of such excess equals or exceeds a statutory "de minimis" amount, U.S. Holders would be required to include such amount in gross income, as it accrues, in accordance with a constant yield-to-maturity method (unless otherwise accelerated), in advance of receipt of the cash payments to which such OID is attributable. Purchasers of the notes should consult their tax advisors regarding the U.S. federal income tax consequences of the release of the Escrowed Property from the Escrow Accounts and the consummation of the Assumption. The remainder of this discussion assumes that the release of the Escrowed Property from the Escrow Accounts and the consummation of the Assumption will not result in a taxable event for U.S. federal income tax purposes.

Tax Treatment of the Issuer

PE Sub and PE Corp. are the named Escrow Issuers with respect to the notes. For U.S. federal income tax purposes, we intend to treat PE Corp. as merely a nominal co-issuer of the notes rather than a true issuer of the notes, with none of the interest on such notes allocated to it. The remainder of this discussion, which follows the style of this offering memorandum in referring to an issuance by the Issuer, should be read to assume the aforementioned U.S. federal income tax treatment.

U.S. Holders

Payments of Interest. Each payment of interest on a note generally will be taxable as ordinary income at the time it is accrued or received in accordance with a U.S. Holder's regular method of accounting for U.S. federal income tax purposes. If the notes are issued at a discount that is not less than 0.25% of the principal amount of the notes multiplied by the number of complete years to maturity (the de minimis amount), the notes will be considered to be issued with OID for U.S. federal income tax purposes. It is anticipated, and the discussion here assumes, that the notes will be issued at par or at a discount that is less than "de minimis" for U.S. federal income tax purposes.

Sale, Exchange, Retirement, Redemption, or Other Taxable Disposition of the Notes. Upon the sale, exchange, retirement, redemption, or other taxable disposition of a note, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between (i) the amount of cash plus the fair market value of any other property received (other than any amount received that is attributable to accrued but unpaid interest not previously included in income, which will be taxable as ordinary interest income) and (ii) such U.S. Holder's tax basis in the note at the time of the sale, exchange, retirement, redemption, or other taxable disposition. A U.S. Holder's tax basis in a note generally will be the amount paid for the note.

Any capital gain or loss will be long-term capital gain or loss if at the time of the sale, exchange, retirement, redemption, or other taxable disposition of the note, the U.S. Holder has held the note for more than one year. Long-term capital gain of non-corporate U.S. Holders, including individuals, generally is taxed at preferential rates. The deductibility of capital losses is subject to limitations.

Surtax on Net Investment Income. Certain U.S. Holders who are individuals, estates, or trusts will be required to pay a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for the relevant taxable year (or "undistributed net investment income" in the case of an estate or trust) and (ii) the excess of the U.S. Holder's modified adjusted gross income for the relevant taxable year (or adjusted gross income in the case of an estate or trust) over a certain threshold. A U.S. Holder's "net investment income" generally will include interest income and its net gains from a taxable disposition of the notes, unless such interest or gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. Holders should consult their tax advisors regarding the application of this additional tax to their investment in the notes.

Information Reporting and Backup Withholding. In general, backup withholding and information reporting requirements apply to certain payments of interest on a note, and the receipt of proceeds on the sale or other taxable disposition (including a retirement or redemption) of a note. Backup withholding (currently at a rate of 24%) may apply if a U.S. Holder fails to furnish its taxpayer identification number, a U.S. Holder fails to certify under penalties of perjury that such taxpayer identification number is correct and that such U.S. Holder is not subject to backup withholding (generally on a properly completed and duly executed IRS Form W-9), the applicable withholding agent is notified by the IRS that the U.S. Holder previously failed to properly report payments of interest or dividends, or such U.S. Holder otherwise fails to comply with the applicable requirements of the backup withholding rules.

Certain U.S. Holders generally are not subject to backup withholding and information reporting requirements, provided that their exemptions from backup withholding and information reporting are properly established. Backup withholding is not an additional tax. Any amounts withheld from a payment to a U.S. Holder under the backup withholding rules generally will be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided the required information is furnished to the IRS in a timely manner. U.S. Holders should consult their tax advisors regarding the application of backup withholding, the availability of an exemption from backup withholding, and the procedure for obtaining such an exemption, if available.

Non-U.S. Holders

Payments of Interest. Subject to the discussion below, including under "— Information Reporting and Backup Withholding" and "FATCA," payments to a Non-U.S. Holder of interest generally will not be subject to U.S. federal income tax or withholding tax, provided that:

- such interest is not effectively connected with such Non-U.S. Holder's conduct of a trade or business in the United States;
- such Non-U.S. Holder does not own, actually or constructively, 10% or more of the combined voting power of all classes of our stock entitled to vote within the meaning of Section 871(h)(3)(B) of the Code; and
- either (i) such Non-U.S. Holder certifies under penalties of perjury on a properly completed and duly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or appropriate successor form), as applicable, that it is not a "United States person" (as defined in the Code), and provides its name, address and U.S. taxpayer identification number (if any); (ii) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and that holds the notes on behalf of such Non-U.S. Holder certifies under penalties of perjury that the certification referred to in clause (i) above has been received from the Non-U.S. Holder and furnished to the applicable withholding agent a copy thereof; or (iii) such Non-U.S. Holder holds its notes directly through a "qualified intermediary" and such qualified intermediary has entered into a withholding agreement with the IRS and certain other conditions are satisfied.

A Non-U.S. Holder that does not qualify for the exemption from withholding described above generally will be subject to withholding of U.S. federal income tax at a rate of 30% on payments of interest on the notes. A Non-U.S. Holder may be entitled to the benefits of an income tax treaty under which interest on the notes is subject to a reduced rate of U.S. withholding tax or is exempt from U.S. withholding tax. To establish such a reduced rate or exemption from withholding, a Non-U.S. Holder generally must provide the applicable withholding agent with a properly completed and duly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or appropriate successor form), as applicable, establishing the reduction or exemption from withholding under an applicable income tax treaty and comply with any other applicable procedures. Alternatively, a Non-U.S. Holder may be exempt from U.S. withholding tax if it provides the applicable withholding agent with a properly completed and duly executed IRS Form W-8ECI (or appropriate successor form) certifying that interest paid on the note is not subject to U.S. withholding tax because it is effectively connected with such Non-U.S. Holder's conduct of a trade or business in the United States (see below under "— Effectively Connected Income").

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to and the procedures for establishing benefits under any applicable income tax treaty.

Sale, Exchange, Retirement, Redemption, or Other Taxable Disposition of the Notes. Subject to the discussion below, including under "— Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder on a sale, exchange, retirement, redemption, or other taxable disposition of a note generally will not be subject to U.S. federal income tax unless:

- such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable); or
- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

If a Non-U.S. Holder is described in the first bullet point above, see "— Effectively Connected Income" below. If a Non-U.S. Holder is described in the second bullet point above, then, unless an applicable income tax treaty provides otherwise, such Non-U.S. Holder generally will be subject to a 30% tax on the gain derived from the sale, exchange, retirement, redemption, or other taxable disposition of the note, which may be offset by certain U.S. source capital losses, even though such Non-U.S. Holder is not considered a resident of the United States.

If any portion of the amount realized on a sale, exchange, retirement, redemption, or other taxable disposition of a note is attributable to accrued but unpaid interest, such portion will be taxed as interest, as described above under "— Payments of Interest."

Effectively Connected Income. If interest, gain or other income recognized by a Non-U.S. Holder with respect to a note is "effectively connected" with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable), then, unless an applicable income tax treaty provides otherwise, such Non-U.S. Holder generally will be subject to U.S. federal income tax on that interest, gain or other income on a net income basis in the same manner as if such Non-U.S. Holder were a U.S. Holder, as described above (but without regard to the surtax on "net investment income"). In addition, a Non-U.S. Holder that is a corporation may be subject to a branch profits tax at a rate of 30% (or lower applicable income tax treaty rate) on its earnings and profits, subject to adjustments, that are effectively connected with its conduct of a trade or business within the United States.

Information Reporting and Backup Withholding. In certain circumstances, a Non-U.S. Holder may be subject to information reporting and/or backup withholding tax (currently at a rate of 24%) on payments of interest on, and the proceeds from a taxable disposition (including a retirement or redemption) of, the notes, unless such Non-U.S. Holder certifies its non-U.S. status under penalty of perjury on a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E (or appropriate successor form), as applicable, or otherwise establishes and satisfies the requirements of an exemption. Information returns are required to be filed with the IRS in connection with any interest paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld from a payment to a Non-U.S. Holder under the backup withholding rules generally will be allowed as a credit against such Non-U.S. Holder's U.S. federal income tax liability and may entitle such Non-U.S. Holder to a refund, provided that the required information is furnished to the IRS in a timely manner. Non-U.S. Holders should consult their tax advisors regarding the application of backup withholding, the availability of an exemption from backup withholding, and the procedure for obtaining such an exemption, if available.

FATCA

Pursuant to the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions (which term includes most foreign hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities must comply with certain information reporting rules with respect to their U.S. account holders and investors. A foreign financial institution or such other foreign entity that does not comply with the FATCA reporting requirements generally will be subject to a 30% withholding tax with respect to any "withholdable payments." For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax, such as interest paid in respect of the notes, and also include the entire gross proceeds from the sale of any debt of U.S. issuers, even if the payment otherwise would not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). The IRS has issued proposed Treasury regulations that eliminate withholding on payments of gross proceeds (but not on payments of interest). Pursuant to the proposed Treasury regulations, we and any withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until the final regulations are issued or the proposed regulations are withdrawn. Foreign financial institutions and such other foreign entities located in jurisdictions that have an intergovernmental agreement with the United States may be subject to different rules.

We will not pay any additional amounts to holders in respect of any amounts withheld, including pursuant to FATCA. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Holders are urged to consult with their tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.

THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS IS GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES TO YOU OF ACQUIRING, HOLDING OR DISPOSING OF THE NOTES, INCLUDING ANY TAX TREATIES AND ANY CHANGES OR PROPOSED CHANGES IN APPLICABLE LAW.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated August 6, 2021, we have agreed to sell to the initial purchasers, for whom Deutsche Bank Securities Inc. is acting as representative, and they have severally and not jointly agreed to purchase, the following respective principal amount of notes:

Initial Purchaser	Principal Amount of 2029 Notes	Principal Amount of 2031 Notes
Deutsche Bank Securities Inc.	$206,250,000	$206,250,000
Goldman Sachs & Co. LLC	168,750,000	168,750,000
Barclays Capital Inc.	150,000,000	150,000,000
Citizens Capital Markets, Inc.	84,375,000	84,375,000
Truist Securities, Inc.	61,875,000	61,875,000
Capital One Securities, Inc.	39,375,000	39,375,000
Fifth Third Securities, Inc.	39,375,000	39,375,000
Wells Fargo Securities, LLC	—	—
Total	$750,000,000	$750,000,000

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. The purchase agreement also provides that, if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or the purchase agreement may be terminated. The offering of the notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part. The initial purchasers may offer and sell the notes through certain of their affiliates.

The representative has advised us that the initial purchasers propose initially to offer the notes at the offering prices set forth on the cover page of this offering memorandum, and may also offer the notes to selling group members at the offering prices less a selling concession. After the initial offering, the offering prices or any other term of the offering may be changed.

The notes have not been and will not be registered under the Securities Act or any state securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors." Resales of the notes are restricted as described under "Transfer Restrictions."

Our common stock is listed on the New York Stock Exchange under the symbol "BALY."

We have agreed that we will not issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any debt securities or securities exchangeable for or convertible into debt securities issued or guaranteed by us and having a maturity of more than one year from the date of issue, or publicly disclose our intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Deutsche Bank Securities Inc. for a period of 90 days after the date of this offering memorandum.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering as permitted by applicable law. However, they are under no obligation to do so and may discontinue any market-making activities at any time at their sole discretion without any notice. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. If an active trading market for the notes does not develop, the market prices and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering prices, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the prices of the notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the initial purchasers and their respective affiliates have, from time to time, engaged in, and may in the future engage in, various investment banking, financial advisory services and other commercial dealings in the ordinary course of business with us. Certain of the initial purchasers or their respective affiliates have acted as our financial advisors in connection with the Gamesys Acquisition and they are agents, arrangers, bookrunners or lenders under the Bridge Commitment to fund a portion of the Gamesys Acquisition. A portion of the proceeds from this offering will be used to reduce the Bridge Commitment, and to pay the fees, costs and expenses incurred in connection thereto. As a result, certain of the initial purchasers or their respective affiliates may benefit from the application of a portion of the net proceeds from this offering to reduce the Bridge Commitment. In addition, certain of the initial purchasers or their respective affiliates are agents, arrangers, bookrunners or lenders, as applicable, under the Existing Term Loan Facility and the Existing 2027 Notes. A portion of the proceeds from this offering will be used to refinance the Existing Term Loan Facility and the Existing 2027 Notes, and to pay accrued interest, fees and premiums thereon and the fees, costs and expenses incurred in connection thereto. As a result, certain of the initial purchasers or their respective affiliates may benefit from the application of a portion of the net proceeds from this offering to refinance the Existing Term Loan Facility and the Existing 2027 Notes. Moreover, affiliates of the initial purchasers are or expect to be arrangers of, and lenders under, our New Credit Facilities and have received or will receive customary fees and commissions in connection thereto.

In the ordinary course of their various business activities, the initial purchasers and certain of their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Escrow Issuers and Bally's or their respective affiliates. If the initial purchasers or

their affiliates have a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the initial purchasers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and certain of their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Investment funds advised or managed by entities affiliated with the sponsor may purchase notes in this offering at purchase prices per note equal to the issue prices set forth on the cover page of this offering memorandum. The purchase agreement between the Issuer and the initial purchasers will not restrict the ability of these investment funds or other affiliates of the sponsor (other than the Issuer and their respective subsidiaries) to buy or sell the notes in the future and, as a result, these investment funds and affiliates of the sponsor may buy or sell the notes in open market transactions at any time following the consummation of this offering.

Selling Restrictions

The notes are offered for sale in those jurisdictions in the United States, Canada, European Economic Area, United Kingdom and elsewhere where it is lawful to make such offers.

European Economic Area ("EEA")

The notes are not intended to be offered, sold, transferred or otherwise made available to and should not be offered, sold, transferred or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation").

The expression of an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable a potential investor to decide to purchase or subscribe for the notes. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPS Regulation. This offering memorandum been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to prospective investors in the United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to prospective investors in Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes. The notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to prospective investors in the Dubai international financial centre

This offering memorandum relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for this document. The notes to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

In relation to its use in the DIFC, this offering memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the notes may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to prospective investors in Hong Kong

Each initial purchaser represents, warrants and agrees that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

The contents of this offering memorandum t have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this offering memorandum, you should obtain independent professional advice.

The information and offering memorandum are strictly confidential to the person whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by recipient to any other person or used for any purpose in Hong Kong.

Notice to prospective investors in Japan

The notes have not been and will not be registered for a public offering in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA"). Accordingly, the notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term is used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Singapore Securities and Futures Act Product Classification

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Notification under Section 309B(1)(c) of the SFA — The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the notes are (A) prescribed capital markets

products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to prospective investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of this rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

TRANSFER RESTRICTIONS

The following restrictions will apply with respect to the sale and resale of the notes. Purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the notes.

The issuance and sale of the notes have not been registered under the Securities Act or any other applicable securities laws and the notes may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account of any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The notes are being offered and issued, only (a) to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("QIBs") in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act and (b) outside the United States to persons other than U.S. persons in reliance upon Regulation S under the Securities Act.

Each purchaser of notes (and in the case of clause (7), each transferee of the notes or any interest therein) will be deemed to represent, warrant, and agree as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) It (a) (i) is a QIB, (ii) is acquiring the notes for its own account or for the account of a QIB and (iii) is aware that the initial purchasers are selling the notes to it in reliance on Rule 144A or (b) is not a U.S. person and is acquiring the notes in an offshore transaction pursuant to Regulation S.

(2) It understands that the notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the notes have not been and will not be registered under the Securities Act and that (a) if in the future it decides to offer, resell, pledge or otherwise transfer any of the notes, such notes may be offered, resold, pledged or otherwise transferred only (i) for so long as the notes are eligible for resale under Rule 144A, to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act, other than the exemption provided by Rule 144, (iv) pursuant to an effective registration statement under the Securities Act or (v) to us or any of our subsidiaries, in each of cases (i) through (v) in accordance with any applicable securities laws of any State of the United States; provided that prior to any transfer pursuant to clause (i), (ii) or (iii), the Company is furnished with an opinion of counsel (if the Company so requests) that such transfer is in compliance with the Securities Act), and that (b) it will, and each subsequent holder is required to, notify any subsequent purchaser of the notes from it of the resale restrictions referred to in clause (a) above.

(3) It understands that the notes will, unless otherwise agreed by the Company and the holder thereof, bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE THAT IS ONE YEAR (IN THE CASE OF THE 144A NOTES) OR 40 DAYS (IN THE CASE OF THE REGULATION S NOTES) AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF THE NOTES AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER

THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OTHER THAN THE EXEMPTION PROVIDED BY RULE 144, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C), (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

(4) If such purchaser is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, it acknowledges that until the expiration of the "40-day distribution compliance period" within the meaning of Rule 903 of Regulation S under the Securities Act, any offer or sale of these notes shall not be made by such purchaser to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act, except in compliance with applicable securities laws.

(5) Either (a) it is not acquiring or holding such note with the assets of any (i) employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code, employee benefit plan that is a governmental plan (as defined in Section 3(32) of ERISA), church plan (as defined in Section 3(33) of ERISA), non-U.S. plan (as described in Section 4(b)(4) of ERISA) or other plan that is not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), or (c) entity whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA)) of any such plan, account or arrangement (each, a "Plan") or (b) the acquisition and holding of such notes does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws, and none of the Company, the guarantors or the initial purchasers or any of their respective affiliates (the "Transaction Parties") is a fiduciary to any Plan in connection with the acquisition and holding of such notes or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to its decision to acquire or hold the notes.

(6) It acknowledges that the trustee under the indenture that governs the notes will not be required to accept for registration of transfer any notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee that the restrictions set forth herein have been complied with.

(7) It acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify us and the initial purchasers thereof. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

LEGAL MATTERS

Certain legal matters relating to the issuance of the notes will be passed upon for us by Jones Day, New York, New York and for the initial purchasers by Latham & Watkins LLP, New York, New York.

INDEPENDENT AUDITORS

The financial statements of Bally's Corporation as of and for the years ended December 31, 2020, 2019, and 2018, incorporated herein by reference from the Bally's Corporation Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing therein.

The financial statements of Columbia Properties Tahoe, LLC d/b/a MontBleu Casino Resort & Spa, as of and for the year ended December 31, 2020, incorporated herein by reference from the Bally's Corporation Current Report on Form 8-K dated March 16, 2021 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing therein.

The combined financial statements of IOC — Kansas City, Inc. d/b/a Isle of Capri Kansas City and Rainbow Casino — Vicksburg Partnership, L.P. d/b/a Lady Luck Casino Vicksburg at December 31, 2019 and 2018, and for each of the two years in the period ended December 31, 2019, incorporated by reference herein from Bally's Corporation Current Report on Form 8-K dated February 3, 2021; the financial statements of Eldorado Resort Casino Shreveport JTV at December 31, 2019 and 2018 and for each of the two years in the period ended December 31, 2019, incorporated by reference herein from Bally's Corporation Current Report on Form 8-K dated February 12, 2021; and the financial statements of Columbia Properties Tahoe, LLC d/b/a MontBleu Casino Resort & Spa at December 31, 2019 and for the year then ended December 31, 2019, incorporated by reference herein from Bally's Corporation Current Report on Form 8-K dated March 16, 2021; have each been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon incorporated by reference therein.

The financial statements of Aztar Indiana Gaming Company, LLC d/b/a Tropicana Evansville, as of and for the year ended December 31, 2020, incorporated herein by reference from the Bally's Corporation Current Report on Form 8-K dated August 2, 2021 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing therein.

The financial statements of Gamesys Group plc as of December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020, incorporated herein by reference from Bally's Corporation's Current Report on Form 8-K dated April 13, 2021, have been audited by BDO LLP, independent accountants, as stated in their report incorporated herein. BDO LLP, London, United Kingdom, is a member of the Institute of Chartered Accountants in England and Wales.

WHERE YOU CAN FIND MORE INFORMATION

As a publicly traded company we are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are also available on the SEC's website at www.sec.gov.

We 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 contained on or accessible through our website is not part of this offering memorandum.

You may also obtain copies of these filings without charge by requesting the filings in writing or by telephone at the following address and telephone number.

Bally's Corporation
Investor Relations
100 Westminster Street
Providence, Rhode Island 02903
Telephone Number: (401) 485-8474

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The information incorporated by reference by us is an important part of this offering memorandum. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that such statement contained herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. The following documents are incorporated by reference into this offering memorandum:

- our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 10, 2021;
- information specifically incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2020 from our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 8, 2021;
- our Quarterly Report on Form 10-Q for the three months ended March 31, 2021 filed with the SEC on May 10, 2021; and
- our Current Reports on Form 8-K filed with the SEC on January 13, 2021, January 22, 2021, January 25, 2021, February 3, 2021, February 8, 2021, February 12, 2021, February 26, 2021, March 16, 2021, April 13, 2021, April 20, 2021, May 19, 2021, June 4, 2021, June 15, 2021, July 2, 2021 and August 2, 2021.

All documents we file pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this offering memorandum and before the later of (1) the completion of the offering of the securities described in this offering memorandum and (2) if applicable, the date any initial purchasers stop offering securities pursuant to this offering memorandum will also be incorporated by reference in this offering memorandum from the date of filing of such documents. We will provide to each person, including any beneficial owner, to whom an offering memorandum is delivered, upon written or oral request and without charge, a copy of any or all of the information that has been incorporated by reference in this offering memorandum but not delivered with this offering memorandum. You can request copies of such documents by writing to us at Bally's Corporation, 100 Westminster Street, Providence, Rhode Island 02903, Attention: Corporate Secretary; telephone number: (401) 475-8474.

Notwithstanding the preceding, unless specifically stated to the contrary, we are not incorporating by reference any documents or portions thereof, whether specifically listed above or filed in the future, that are not deemed "filed" with the SEC under its rules and regulations, including, but not limited to, information furnished pursuant to Items 2.02 or 7.01 of Form 8-K, and any related exhibits. The information contained in each of the documents incorporated by reference speaks only as of the date of such document.


Bally