

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document (the “**Prospectus**”) comprises a prospectus for the purposes of Article 3 of Regulation 2017/1129/EU (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”)) relating to the New Bally’s Shares (as defined below) and has been prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the “**FCA**”) made under section 73A of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”). This document has been approved as a prospectus by the FCA as competent authority under the UK Prospectus Regulation and has been made available to the public as required by Section 3.2 of the Prospectus Regulation Rules and Article 21 of the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of Bally’s Corporation (“**Bally’s**” or the “**Corporation**”) or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Bally’s, the Bally’s Directors, and the Proposed Bally’s Directors whose names appear on pages 94 and 95 of this Prospectus in Part X (“**Bally’s Directors, Proposed Bally’s Directors, Corporation Officers and Corporate Governance**”), accept responsibility for the information contained in this Prospectus. To the best of the knowledge of Bally’s, the Bally’s Directors, and the Proposed Bally’s Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Recipients of this Prospectus are authorised to use it solely for the purpose of considering the offer (the “**Offer**”) of shares of common stock in the share capital of Bally’s (the “**New Bally’s Shares**”) to shareholders of Gamesys Group PLC (“**Gamesys**”) in connection with the proposed acquisition of the entire issued and to be issued share capital of Gamesys (the “**Combination**”) and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering the terms of the Combination or assessing the New Bally’s Shares. The distribution of this Prospectus and any accompanying documents into certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus and any accompanying documents comes should inform themselves about and observe any such restrictions. Further information on distribution restrictions is set out in Part V (“**Presentation of Information**”). Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

If you have sold or otherwise transferred all of your Gamesys Shares, please send this Prospectus, together with any accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, banker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, this Prospectus and any accompanying documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or otherwise transferred part of your holding of Gamesys Shares, please retain this Prospectus and any accompanying documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

If you have any questions about the Combination, the contents of this Prospectus or what action you should take, you are recommended to seek your own personal legal, financial, and tax advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

Investors are advised to examine all the risks that might be relevant in connection with the value of an investment in the New Bally’s Shares. Investors should read this Prospectus and documents (or parts thereof) incorporated in it by reference in its entirety and, in particular, Part II (“Risk Factors”) for a discussion of certain risks and other factors that should be considered in connection with the Combination and an investment in the Corporation, the Combined Group and the New Bally’s Shares.

BALLY’S CORPORATION



(Incorporated in the State of Delaware)

**Proposed issue of up to 38,419,106 shares of common stock
by Bally’s to Gamesys Shareholders in connection with the
recommended cash and share offer by Bally’s for the entire
issued and to be issued share capital of Gamesys to be implemented
by way of a scheme of arrangement under Part 26 of the Companies Act 2006**

The Bally’s Shares are currently admitted to trading on the New York Stock Exchange. Application will be made by the Corporation to the New York Stock Exchange for the New Bally’s Shares to be issued pursuant to the Combination to be admitted to trading on the New York Stock Exchange. It is expected that trading of the New Bally’s Shares will commence on or shortly after the Effective Date. The New Bally’s Shares will, when issued, rank *pari passu* in all respects with the Bally’s Shares (save that they will not participate in any dividend payable by Bally’s with reference to a record date prior to the date on which (a) the Scheme becomes effective in accordance with its terms; or (b) if Bally’s elects to implement the Combination by way of a Takeover Offer, the date the Takeover Offer becomes or is declared unconditional in all respects). Completion of the Combination is conditional, *inter alia*, on confirmation having been received by Bally’s that the New Bally’s Shares have been approved for listing, subject to official notice of issuance, on the New York Stock Exchange. The New Bally’s Shares are not being made generally available to the public in conjunction with the Combination. No

application has been or is anticipated to be made for the New Bally's Shares to be admitted to trading on any other exchange.

Investors should rely only on the information contained in this Prospectus and the documents (or parts thereof) incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and any document (or part thereof) incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorised by the Corporation, the Bally's Directors or the Proposed Bally's Directors. In particular, the contents of Bally's and Gamesys' websites (or parts thereof or any other website directly or indirectly accessible from hyperlinks on these websites) have not been incorporated herein by reference and do not form part of this Prospectus and investors should not rely on them.

Without prejudice to any legal or regulatory obligation on the Corporation to publish a supplementary prospectus pursuant to section 87G of FSMA, Prospectus Regulation Rule 3.4, and the UK Prospectus Regulation the delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of Bally's, the Bally's Group, the Gamesys Group or the Combined Group since the date of this Prospectus or that the information in it is correct as of any time subsequent to its date. Bally's will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German banking law. The London branch of Deutsche Bank AG ("**DB London**") is registered in the register of companies for England and Wales (registration number BR000005) with its registered address and principal place of business at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin). With respect to activities undertaken in the UK, Deutsche Bank AG is authorised by the Prudential Regulation Authority with deemed variation of permission. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of client protections may differ from those for firms based in the UK. Details about the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

DB London and Deutsche Bank Securities, Inc. ("**DBSI**") are acting as financial advisers to Bally's and Premier Entertainment and no other person in connection with the Combination and will not be responsible to any person other than Bally's and Premier Entertainment for providing the protections afforded to clients of DB London or, as the case may be, DBSI, nor for providing advice in relation to the Combination or any other matters referred to in this Prospectus. Neither DB London, nor DBSI nor any of their respective affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of DB London or, as the case may be, DBSI in connection with this Prospectus, any statement contained herein, the Combination or otherwise.

Apart from the responsibilities and liabilities, if any, which may be imposed on DB by the FSMA or the regulatory regime established thereunder, DB does not accept any responsibility whatsoever or make any representation or warranty, express or implied, for or in respect of the contents of this Prospectus or for any statement made or purported to be made by it, or on its behalf, in connection with the Combination, the Offer or the Scheme or any matter or arrangement referred to in this Prospectus. DB accordingly disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

Neither the United States Securities and Exchange Commission ("**SEC**") nor any state securities commission nor any other regulatory authority in the United States has approved or disapproved of the New Bally's Shares or passed upon the accuracy or adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offense in the United States.

THE CONTENTS OF THIS PROSPECTUS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE. EACH POTENTIAL INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN LEGAL ADVISOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE.

NEITHER THE CORPORATION, THE BALLY'S DIRECTORS, THE BALLY'S RESPONSIBLE OFFICERS, THE PROPOSED BALLY'S DIRECTORS NOR ANY OF ITS REPRESENTATIVES IS MAKING ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OF THE NEW BALLY'S SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE NEW BALLY'S SHARES BY SUCH PROSPECTIVE INVESTOR UNDER THE LAWS APPLICABLE TO SUCH PROSPECTIVE INVESTOR.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS PROSPECTUS SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Notice to Overseas Shareholders

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy any New Bally's Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or would impose any unfulfilled registration, publication or approval requirements on Bally's or Gamesys or any of their respective directors, officers, agents or advisers. No action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the New Bally's Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this

Prospectus nor any advertisement nor any other offering material may be distributed or published in any such restricted jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Bally's and the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such requirements by any person.

Unless otherwise determined by Bally's or required by the City Code on Takeovers and Mergers (the "City Code"), and permitted by applicable law and regulation, the Offer and the Combination will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Combination by any such use of the mails of or any other means, instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or securities exchange of or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that Restricted Jurisdiction. Accordingly, copies of this document and all documents relating to the Offer and the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Offer and the Combination (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from such jurisdictions where to do so would violate the laws in those Restricted Jurisdictions. If the Combination is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), such Takeover Offer may not be made available directly or indirectly, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction.

The availability of the Offer to Gamesys Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Scheme Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA. Persons receiving this Prospectus and all documents relating to the Offer and the Combination must not mail or otherwise distribute or send these documents in, into or from a jurisdiction where to do so would constitute a violation of the laws of such jurisdiction.

This Prospectus has been prepared for the purposes of complying with English law, the Prospectus Regulation Rules, and the UK Prospectus Regulation, and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws and regulations of any other jurisdiction outside England and Wales. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Offer in their particular circumstances.

WARNING

The contents of this document have not been reviewed by any regulatory authority other than the UK Financial Conduct Authority. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The date of this Prospectus is 1 June 2021.

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PART I

SUMMARY INFORMATION

1. INTRODUCTION CONTAINING WARNINGS

This summary should be read as an introduction to this Prospectus and any decision to invest in Shares should be based on consideration of this Prospectus as a whole by the investor. The investor could lose all or part of its invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Bally's Shares.

The Corporation is offering securities under the Prospectus in connection with the Combination. The securities that the Corporation intends to offer pursuant to the Combination (the "**Offer**") are shares of the Corporation's common stock with a par value of \$0.01 per share (the "**Bally's Shares**"), whose ISIN is US05875B1061.

The Prospectus was approved on 1 June 2021 by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

The Corporation is the issuer of the Bally's Shares. The Corporation is a corporation organised and existing under the laws of the State of Delaware and in accordance with the Delaware General Corporation Law (the "**DGCL**") and headquartered in Providence, Rhode Island. The Corporation's LEI number is 549300NS4D5IK406VT62. Under the Corporation's Amended and Restated Certificate of Incorporation, as amended and restated (the "**Certificate of Incorporation**") the Corporation is to have perpetual existence. The Bylaws of the Corporation (the "**Bylaws**") state that the Corporation's objects are unrestricted and it may engage in any lawful act or activity for which corporations may be organised under the DGCL.

The Corporation is a multijurisdictional owner of gaming and racing facilities, including slot machines and various casino table games.

Directors and Proposed Bally's Directors of the Corporation

The directors of the Corporation are: Soohyung Kim (*Chairman*), George T. Papanier (*President and Chief Executive Officer*), Terrence Downey (*Independent Director*), Jaymin B. Patel (*Independent Director*), Jeffrey W. Rollins (*Independent Director*) and Wanda Y. Wilson (*Independent Director*).

Following the Combination, the following persons are proposed to become directors of the Corporation: Lee Fenton, Robeson Reeves, and Jim Ryan.

Major shareholders of the Corporation

As at the Latest Practicable Date, in so far as is known to the Corporation, the following persons are interested in 3% or more of the Corporation's voting rights:

Names	Number of Bally's Shares	Percentage of Bally's Shares	Percentage of Bally's Shares immediately following the Effective Date ⁽³⁾
Standard RI Ltd ⁽¹⁾	10,342,069	23.22%	12.47%
PAR Capital Management, Inc. ⁽²⁾	2,752,184	6.18%	3.32%
Long Pond Capital LP	1,500,000	3.37%	1.81%
Sinclair Broadcast Group, Inc.	12,830,730 ⁽⁴⁾	N/A	N/A

(1) Consists of 10,342,069 common shares of Bally's held by Standard RI Ltd. Standard General L.P. serves as investment manager to Standard RI Ltd and, in that capacity, exercises voting and investment control over the shares held by Standard RI Ltd. Soohyung Kim is the managing partner and chief investment officer of Standard General L.P. Each of Mr. Kim and Standard General L.P. disclaims beneficial ownership of the shares reported except to the extent of its or his pecuniary interest in such shares.

(2) Amounts beneficially owned by PAR Capital Management Inc. are based solely on a Form 8.3 disclosure filed via a Regulatory Information Service on 19 April 2021.

(3) Assumes the issue of 38,419,106 New Bally's shares.

(4) Comprises options and warrants in respect of Bally's Shares issued in connection with the Sinclair Framework Agreement summarised in paragraph 8 Part 7 of the Scheme Document.

Statutory Auditors

The Corporation's auditors are Deloitte & Touche, LLP of 100 Kimball Dr, Parsippany, NJ 07054, United States.

2.2 What is the key financial information regarding the issuer?

<i>(In thousands, except per share data)</i>	Three Months Ended March 31,		Year Ended December 31,		
	2021 ^(a)	2020 ^(b)	2020 ^(c)	2019 ^(d)	2018 ^(e)
Statement of Operations Data:					
Total revenue	\$192,266	\$109,148	\$372,792	\$523,577	\$437,537
Income (loss) from operations.....	29,474	(3,169)	(18,386)	114,626	120,649
Income (loss) before provision for income taxes	(15,535)	(14,542)	(74,811)	75,180	97,797
Net (loss) income.....	(10,705)	(8,878)	(5,487)	55,130	71,438
Net (loss) income applicable to common stockholders	(10,705)	(8,878)	(5,487)	55,130	72,078
Per Common Share Data:					
Net (loss) income per share, basic	\$(0.30)	(0.28)	\$(0.18)	\$1.46	\$1.95
Net (loss) income per share, diluted	\$(0.30)	(0.28)	\$(0.18)	\$1.46	\$1.87
Cash dividends declared per share.....	\$—	—	\$0.10	\$0.20	\$—
Balance Sheet Data:					
Cash and cash equivalents.....	\$151,653	\$361,591	\$123,445	\$182,581	\$77,580
Total assets.....	2,138,800	1,215,323	1,929,855	1,021,887	782,352
Long-term debt, net of current portion ...	1,128,599	930,304	1,094,105	680,601	390,578
Total stockholders' equity	454,697	171,019	326,598	211,411	298,660
Other Financial Data:					
Adjusted EBITDA ^(f)	\$52,475	\$22,061	\$70,402	\$167,150	\$165,697

(a) Includes the results of Horses Mouth Limited d/b/a SportCaller and Fantasy Sports Shark, LLC d/b/a Monkey Knife Fight.

(b) Includes the results of Black Hawk Casinos (includes the Golden Gates, Golden Gulch and Mardi Gras casinos).

(c) Includes the results of IOC – Kansas City, Inc. and Rainbow Casino – Vicksburg Partnership, L.P. from the date of their acquisitions on July 1, 2020 and the results of Eldorado Resort Casino Shreveport from the date of its acquisition on December 23, 2020.

(d) Includes the results of Dover Downs Gaming & Entertainment, Inc. (Dover Downs Hotel and Casino) from the date of its acquisition on March 28, 2019.

(e) Includes the results of Twin River-Tiverton, LLC (Twin River Casino Hotel) from its opening on September 1, 2018 and the results of Premier Entertainment II, LLC (Newport Grand Casino) up until its closing on August 28, 2018.

(f) "Adjusted EBITDA" is defined as earnings before interest expense, net of interest income, provision for income taxes, depreciation and amortization, non-operating income, acquisition, integration and restructuring expense, expansion and pre-opening expenses, Newport Grand disposal loss, goodwill impairment, share-based compensation, rebranding, change in fair value of naming rights liabilities, gain on bargain purchases, professional and advisory fees associated with capital return program, credit agreement amendment expenses, storm related losses, net of insurance recoveries, pension withdrawal expense and certain other gains or losses as well as, when presented for the Corporation's reporting segments, an adjustment related to the allocation of corporate cost

among segments. Adjusted EBITDA margin is measured as Adjusted EBITDA as a percentage of revenue. Below is a reconciliation of net income (loss) to Adjusted EBITDA for the periods presented. For further discussion of Adjusted EBITDA and its limitations, see “Special Note Regarding Non-GAAP Financial Measures.”

2.3 What are the key risks that are specific to the issuer?

The attention of investors is drawn to the risks associated with an investment in the Corporation, and following the Combination, the Combined Group. In particular, such risks include the following:

- (A) The global COVID-19 pandemic has materially impacted the Bally’s Group’s business, financial results and liquidity, and such impact could worsen and last for an unknown period of time.
- (B) All of the properties that the Bally’s Group currently owns, as well as those the Bally’s Group has agreed to acquire, are currently operating at less than full capacity and without all available amenities, and the Bally’s Group is unable to predict when all, or any of, such properties will return to pre-pandemic operating level, or the period of time required for the ramp-up of operations.
- (C) The gaming industry is very competitive and increased competition, including through legislative legalisation or expansion of gaming by states in or near where the Bally’s Group owns facilities or through Native American gaming facilities and internet gaming, could adversely affect the Bally’s Group’s financial results.
- (D) The Bally’s Group is subject to extensive state and local regulation and licensing, and gaming authorities have significant control over the Bally’s Group’s operations, which could have an adverse effect on its business.
- (E) Failure to comply with the terms of the Regulatory Agreement could result in a breach and could harm the Bally’s Group’s business.
- (F) The Bally’s Group has a new business model, which makes it difficult for it to forecast its financial results, creates uncertainty as to how investors will evaluate its prospects and increases the risk that it will not be successful.
- (G) The Bally’s Group’s growth will depend, in part, on the success of its strategic relationships with third parties. Overreliance on certain third parties, or its inability to extend existing relationships or agree to new relationships, may cause unanticipated costs for the Bally’s Group and impact its financial performance in the future.
- (H) Gamesys derives meaningful revenues from players located in jurisdictions in which it does not hold a licence.
- (I) Gamesys is reliant on the reliability and viability of the internet infrastructure, which is out of its control, and the proper functioning of its own network systems.
- (J) Gamesys’ branded sites are heavily reliant on well-known brands owned by third parties.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

The Corporation could be required to issue up to 38,419,106 Bally’s Shares pursuant to the Combination.

The securities which the Corporation intends to issue under the Combination are Common Stock with a par value of \$0.01 per share whose ISIN is US05875B1061. Immediately following admission of the New Bally’s Shares to listing and trading on the New York Stock Exchange, the Corporation will have one class of share in issue, being the Bally’s Shares. The Bally’s Shares are denominated in US Dollars. On the New York Stock Exchange, the Corporation trades under ticker symbol “BALY”.

Set out below is the issued share capital of the Corporation as at the date of this document:

	<u>Par Value</u> <u>(\$)</u>	<u>Number</u>
Common Stock.....	0.01	44,544,289

Bally's has 44,544,289 shares of common stock outstanding as of 28 May 2021, which does not include:

- any shares (or warrants) that may be issued under a commitment letter with GLPI, a publicly traded gaming focused real estate investment trust under which GLPI has irrevocably committed to purchase Bally's Shares, or, subject to U.S. regulatory requirements, warrants, with a value of up to \$500.0 million, at a price per share based on volume-weighted average price determined over a period of time prior to such issuance;
- any shares that may be issued to Gamesys shareholders in the Combination;
- 60,000 shares of common stock issuable upon the exercise of outstanding stock options as of 28 May, 2021, at a weighted-average exercise price of \$4.31 per share;
- 925,865 shares of common stock underlying outstanding restricted stock units and other equity awards reserved for future issuance under existing compensation plans;
- 3,757,534 shares of common stock available to be granted under our existing equity plans as of 28 May, 2021;
- up to 12,830,730 shares of common stock that may become issuable upon exercise of option and warrants issued in connection with our strategic partnership with Sinclair;
- up to 812,161 shares of common stock that may become issuable upon exercise of penny warrants issued in connection with our acquisition of Monkey Knife Fight; and
- up to 217,857 shares of common stock that may be issuable to SportCaller selling stockholders in connection with achievement of certain post-closing performance targets in connection with our acquisition of SportCaller.

Rights attaching to the Bally's Shares

Dividends

The holders of Bally's Shares shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Corporation as may be declared thereon by the directors from time to time out of assets or funds of the Corporation legally available for such purposes.

Rights in respect to capital

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of all outstanding Bally's Shares shall be entitled to receive the remaining assets of the Corporation available for distribution rateably in proportion to the number of Bally's Shares held by each such holder.

Pre-emptive, conversion and redemption rights

No pre-emptive rights attach to the Bally's Shares, nor are they convertible or redeemable.

Voting Rights

Each holder of Bally's Shares shall be entitled to one vote in person or by proxy for each Bally's Share held of record by such holder on all matters on which shareholders generally are entitled to vote, whether voting separately as a class or otherwise. The holders of Bally's Shares shall vote together as a single class on all matters. The holders of the Bally's Shares do not have pre-emption rights in respect of the Bally's Shares.

Acquisition and Transfer Restrictions

Bally's Certificate of Incorporation and Bylaws provide that Bally's may not permit any person or entities to acquire a direct or indirect equity or economic interest in it equal to or greater than 5 per cent. of any class of equity or economic interests without the approval of the relevant gaming

authorities (subject to certain specified exceptions). Any transfer or acquisition of Bally's Shares that results in a person acquiring more than such 5 per cent. threshold will not be recognised until the relevant gaming authorities have approved such transfer or acquisition. Bally's Certificate of Incorporation also provides that an additional licence or consent from the gaming authorities is required for ownership equal to or greater than 20 per cent. of any class of Bally's equity interests. In addition, Bally's Bylaws also include limitations and restrictions on ownership of common stock relating to regulatory requirements and licences, including restrictions on transfers and acquisitions that would violate applicable gaming laws and repurchase rights in the event that stockholders are determined to be unsuitable to hold Bally's Shares. Bally's Bylaws impose additional restrictions to ensure compliance with relevant gaming and regulatory requirements including its ability to withhold dividend payments and redeem or purchase a holder's common stock if a gaming authority or the Bally's Board determines the holder to be an "unsuitable person" as defined in certain gaming laws. Finally, Bally's Bylaws incorporate by reference certain provisions of relevant state gaming laws.

Accordingly, Bally's reserves the right to do any or a combination of the following: (a)(i) establish a trust to hold any New Bally's Shares otherwise issuable to a Scheme Shareholder pursuant to the Scheme (a "**Relevant Scheme Shareholder**"), which, when taken together with any Bally's Shares already held by or on behalf of or beneficially owned by such Scheme Shareholder upon or following the Scheme becoming Effective, would result in that Scheme Shareholder holding in excess of 4.99 per cent. of the number of outstanding Bally's Shares calculated on a *pro forma* basis after issuance of all New Bally's Shares issuable to Scheme Shareholders pursuant to the Scheme ("**Excess Shares**") for the benefit of the Relevant Scheme Shareholder until such time as requisite regulatory approvals have been obtained or the Relevant Scheme Shareholder requests the transfer of such Excess Shares to an unaffiliated purchaser or holder (or to the Relevant Scheme Shareholder to the extent that such person has reduced its holding below 4.99 per cent. of the number of Bally's Shares then outstanding); or (ii) implement another arrangement under its Certificate of Incorporation or Bylaws reasonably designed to assure regulatory compliance. Such trusts or other arrangements will be on such terms as Bally's (with the agreement of Gamesys, not to be unreasonably withheld, conditioned or delayed and acting in good faith) may require and will not prejudice the UK tax treatment of Gamesys Shareholders under the Scheme; (b) require the Relevant Scheme Shareholder to enter into a contract with Bally's under which it will agree to such undertakings and restrictions as Bally's (with the agreement of Gamesys, not to be unreasonably withheld, conditioned or delayed and acting in good faith) may require, including with respect to the release and voting of Excess Shares and distributions payable in respect thereof, in order to comply with applicable legal and regulatory requirements and authorisations and the provisions of Bally's Certificate of Incorporation and Bylaws. Bally's reserves the right, in any such contract to indemnify any Relevant Scheme Shareholder for losses it may suffer or costs it may incur in connection with or as a consequence of any such trust arrangement or entering into any such contract. Bally's will make an announcement via a Regulatory Information Service if any such trusts or agreements are established or entered into; and (c) require evidence of compliance with applicable regulatory requirements and that any Relevant Scheme Shareholder or any person to whom a Relevant Scheme Shareholder requests the transfer of Excess Shares warrants to Bally's that it holds the Bally's Shares issuable to it solely for investment and not with a view to influencing the management or control of Bally's.

Dividend policy

The Corporation is not currently paying a cash dividend on the Bally's Shares, and it does not currently intend to pay any cash dividends on the Bally's Shares in the foreseeable future. Any future determinations relating to the Corporation's dividend policies will be made at the discretion of the Bally's Board and will depend on conditions then existing, including its financial condition, results of operations, contractual restrictions, capital and regulatory requirements and other factors the Bally's Board may deem relevant.

In February 2020, the Board declared and paid a dividend of \$0.10 per Bally's Share to holders of record as of 6 March 2020. In connection with the COVID-19 pandemic and a related amendment to the Bally's Group's finance documents, the Corporation ceased paying dividends.

3.2 Where will the securities be traded?

Application will be made to the New York Stock Exchange for the New Bally's Shares to be admitted to trading on the New York Stock Exchange on or shortly after the Effective Date.

3.3 What are the key risks specific to the securities?

The attention of investors is drawn to the risks associated with an investment in the New Bally's Shares which, in particular, include the following:

- (A) The market price of the Bally's Shares could fluctuate significantly.
- (B) Bally's largest shareholder owns a meaningful percentage of its outstanding common stock, which could limit the ability of other shareholders to influence corporate matters.
- (C) Bally's is not paying dividends and any decision to do so in the future will be at the discretion of the Bally's Group's Board.
- (D) Bally's is a holding company and will depend on its subsidiaries for dividends, distributions and other payments.
- (E) Gamesys Shareholders receiving New Bally's Shares in the Combination will become shareholders in a Delaware corporation, which will change the rights and privileges of such shareholders in comparison to the rights and privileges of a shareholder in an English company.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

The Combination may be effected by Bally's directly with/or through Premier Entertainment Sub, LLC ("**Premier Entertainment**"), an indirectly wholly owned subsidiary of Bally's. Premier Entertainment is a limited liability corporation incorporated under the laws of Delaware with registered number 5327067 and whose registered address is at The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, United States.

Under the terms of the Combination, each Gamesys Shareholder will be entitled to receive:

for each Gamesys Share: 1,850 pence in cash (the "Cash Offer")

or, in lieu of some or all of the cash they would otherwise be entitled to receive under the Cash Offer

for each Gamesys Share: 0.343 Bally's Shares (the "Share Alternative")

The Cash Offer, including the Gamesys Final Dividend, represents a premium of:

- approximately 14.4 per cent to the Closing Price per Gamesys Share of 1,642 pence on 23 March 2021 (being the last Business Day prior to the commencement of the Offer Period);
- approximately 41.2 per cent to the Closing Price per Gamesys Share of 1,330 pence on 25 January 2021 (being the last Business Day prior to Bally's initial proposal to Gamesys dated 26 January 2021); and
- approximately 36.7 per cent to the average closing price per Gamesys Share of 1,373 pence for the three-month period ended 23 March 2021 (being the last Business Day prior to the commencement of the Offer Period) on a volume weighted average price basis.

The Corporation will also make available the Share Alternative under which eligible Gamesys Shareholders can elect to receive New Bally's Shares in lieu of part or all of the cash consideration to which they would otherwise be entitled under the Combination. The offer period relating to the offering of Bally's Shares under this Prospectus is the period during which the Share Alternative is being made available to eligible Gamesys Shareholders. Such period begins on the date of this document and is currently expected to end on the Election Return Time. Please refer to Part VI ("*Expected Timetable of Principle Events and Indicative Statistics*") of this document for further information.

Based on the Closing Price of \$60.80 per Bally's Share on 12 April 2021 and applying the USD:GBP exchange rate quoted by Bloomberg on the same date, the Share Alternative values each Gamesys Share at 1,518 pence.

Assuming the issue of 38,419,106 New Bally's Shares pursuant to the Combination and that the number of issued and outstanding Bally's Shares as at the Latest Practicable Date does not change prior to the Effective Date of the Scheme, the Bally's Shares currently in issue and outstanding will represent approximately 46.3% of the total issued and outstanding Bally's Shares immediately following the completion of the Combination.

4.2 **Why is the Prospectus being produced?**

Reasons for issue of the New Bally's Shares

The New Bally's Shares are being issued as part of the consideration to the holders of the Gamesys Shares (the "**Gamesys Shareholders**") in connection with the Combination.

Estimated net proceeds

No proceeds will accrue to the Corporation in connection with the Combination. The aggregate costs and expenses incurred by Bally's and Gamesys in connection with the issuance of the New Bally's Shares and the Combination are estimated to amount to approximately £93 million (including legal, audit and other professional fees).

There are no underwriting arrangements in connection with the issue of the New Bally's Shares as the New Bally's Shares are being offered to Gamesys Shareholders pursuant to the Combination.

Conflicts of interest

Other than as disclosed in this Summary in respect of major shareholders of the Corporation, there are no other interests, including conflicting interests, that are material to the Combination.

Expenses

No expenses will be charged to any investor by Bally's in respect of the Offer.

PART II

RISK FACTORS

Investing in and holding the Bally's Shares (including the New Bally's Shares) are subject to a number of financial and other risks. Gamesys Shareholders and potential investors should carefully consider the following risks and uncertainties together with all the other information set out in, or incorporated by reference into, this Prospectus prior to making any decision as to whether or not to participate in the Offer. The risks described below are based on information known at the date of this Prospectus, but may not be the only risks to which the Bally's Group, Gamesys and/or the Combined Group might be exposed. Additional risks and uncertainties, which are currently unknown to the Bally's Group or that the Bally's Group does not currently consider to be material, may materially affect its business, Gamesys' business and/or the business of the Combined Group and could have a material adverse effect on its business, financial condition, results of operations and prospects, those of Gamesys and/or those of the Combined Group. If any of the following risks were to occur, its business, financial condition and results of operations, those of Gamesys and/or those of the Combined Group could be materially adversely affected, and the value of the Bally's Shares could decline and investors could lose all or part of the value of their investment in the Bally's Shares. Gamesys Shareholders and potential investors should read this Prospectus as a whole, including the information incorporated by reference, and not rely solely on the information set out in this Part II ("Risk Factors").

1. RISKS RELATED TO THE COMBINATION

The Corporation may fail to consummate the Combination or may not consummate it on the terms described herein.

It is currently anticipated that the Combination will complete in the fourth quarter of 2021. Completion of the Combination is subject to the receipt of applicable shareholder approvals by each of Gamesys' shareholders and Bally's shareholders, regulatory approvals and other customary closing conditions for the acquisition of a UK public company. As a result, the possible timing and likelihood of completion are uncertain, and, accordingly, there can be no assurance that such Combination will be completed on the expected terms, on the anticipated schedule or at all.

If the Combination is not consummated, the Bally's Group could be subject to a number of risks that may adversely affect its business and the market price of common stock, including:

- it will be required to pay costs relating to the Combination such as legal, accounting, financial advisory and printing fees, whether or not the Combination is consummated;
- time and resources committed by its management to matters relating to the Combination could otherwise have been devoted to pursuing other beneficial opportunities; and
- it would not realise the benefits the Bally's Group expects to realise from consummating the Combination.

The Corporation cannot provide any assurance that the Combination will be consummated or that there will not be a delay in the consummation of the Combination. If the Combination is not consummated, the Bally's Group's reputation in its industry and in the investment community could be damaged, and the market price of the common stock could decline.

The unaudited pro forma condensed combined financial information and other adjusted information included in this Prospectus is unaudited and the actual financial condition and results of operations after the Combination may differ materially.

The unaudited *pro forma* condensed combined financial information and other adjusted information included in this Prospectus are presented for illustrative purposes only; are based on numerous adjustments, assumptions and estimates; are subject to numerous other uncertainties; and do not purport to reflect what the Corporation's financial position or results of operations would have been had the Combination and/or the Equity Offering been completed as of the dates assumed for purposes of that information. Such unaudited *pro forma* consolidated combined financial information and certain other adjusted information reflect the assumptions of Bally's management at the time that such information was initially prepared and may differ, perhaps substantially, from the assumed amounts set forth in the unaudited *pro forma* consolidated combined financial information and the other adjusted information included or incorporated by reference in this Prospectus and the accompanying prospectus. In addition, the Bally's Group, may issue additional equity or

convertible securities to “finance the Combination, and/or may modify its plan of finance for the Combination, in a manner that is different from the assumptions reflected in the unaudited *pro forma* consolidated combined financial information and other adjusted information included in this Prospectus.

Accordingly, the final acquisition accounting adjustments may differ materially from the unaudited *pro forma* adjustments reflected in this Prospectus.

The Combination is subject to the receipt of governmental and regulatory approvals that may impose conditions that could have an adverse effect on the Bally’s Group or, if not obtained, could prevent consummation of the Combination.

Consummation of the Combination is conditioned upon the receipt of governmental approvals, including gaming regulatory approvals. There can be no assurance that these approvals will be obtained and that the other conditions to consummating the Combination will be satisfied. In addition, the governmental authorities from which the regulatory approvals are required may impose conditions on the consummation of the Combination or require changes to the terms of the Combination or agreements to be entered into in connection with the Combination. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the Combination or of imposing additional costs or limitations on the Bally’s Group following consummation of the Combination, any of which might have an adverse effect on the Bally’s Group’s business, financial condition and results of operations.

The Combination is subject to other conditions that the Bally’s Group cannot control.

The Combination is subject to conditions, including the approval of the Scheme by Gamesys shareholders, the approval of the issuance of the New Bally’s Shares by Bally’s shareholders, the sanction of the Scheme by the Court, the Scheme becoming effective by the Long Stop Date, and the NYSE having authorized the listing of the New Bally’s Shares. No assurance can be given that all of the conditions to the Combination will be satisfied, or if they are, as to the timing of such satisfaction. If the conditions to the Combination are not satisfied, then the Combination may not be consummated.

In certain circumstances, Bally’s may not be able to invoke the transaction conditions and terminate the Combination, which could reduce the value of Bally’s common stock.

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 Bally’s in the context of the Combination. Therefore, with the exceptions of certain foreign direct investment and gaming regulatory conditions and certain conditions relating to (i) the approval of the Scheme by Gamesys shareholders and the Court, (ii) the approval of the New Bally’s Shares by its shareholders and (iii) the listing of New Bally’s Shares on the NYSE, the Bally’s Group may be required to obtain agreement of the Takeover Panel that the circumstances giving rise to the right to invoke the condition were of material significance to Bally’s in the context of the Combination before the Bally’s Group would be permitted to rely on that condition.

If a material adverse change affecting Gamesys occurs and the Takeover Panel does not allow Bally’s to invoke a condition to cause the Combination not to proceed, the market price of Bally’s common stock may decline or Bally’s business or financial condition may be materially adversely affected. As a result, the value of the New Bally’s Shares received by Gamesys shareholders may be reduced and/or Bally’s business or financial condition may be adversely affected after the Combination.

The Takeover Code may limit Bally’s ability to cause Gamesys to consummate the transaction and may otherwise limit the relief Bally’s may obtain if Gamesys’ board of directors withdraws its support of the Scheme.

The Takeover Code limits the contractual commitments that may be obtained from Gamesys to take actions in furtherance of the Combination, and the Gamesys board of directors may, if its fiduciary and other directors’ duties so require, withdraw its recommendation in support for the Scheme, and withdraw the Scheme itself, at any time before the Court Meeting. The Takeover Code does not permit Gamesys to pay any break fee if it does so, nor can it be subject to any restrictions on soliciting or negotiating other offers or transactions involving Gamesys other than the restrictions against undertaking actions or entering into agreements which are similar to or have a similar effect to “poison pills” and which might frustrate the Combination.

Governmental gaming regulatory requirements concerning ownership of the common stock may impact the Bally's Group's regulatory compliance.

The gaming and racing industries are highly regulated, and the Bally's Group must maintain its licences and pay gaming taxes to continue its operations. The Bally's Group is subject to extensive regulation under laws, rules and supervisory procedures primarily in the jurisdictions where its facilities are located or docked.

These laws, rules and regulations generally concern the responsibility, financial stability and characters of the owners, managers and persons with financial interests in the gaming operations. Some jurisdictions require applications for findings of suitability, licensing or other approvals for owners of the Bally's Group's stock exceeding certain thresholds. If a person purchases stock in the Bally's Group in an amount that results in such person attaining or exceeding thresholds of ownership requiring regulatory approvals from one or more gaming jurisdictions, the regulators could take the position that such person must make the requisite filings or obtain the requisite approvals from the regulator. The Bally's Group cannot predict whether a gaming regulator may take such a position.

The cash consideration subjects Bally's to foreign exchange rate exposure.

Because the cash portion of the purchase price payable to the Gamesys shareholders in the Combination is payable in pound sterling, Bally's is subject to exchange rate exposure through the closing of the Combination. Bally's may seek to mitigate its exposure to currency exchange rate fluctuations by hedging any material mismatch between revenues and obligations, but any such efforts may not be successful, in which case changes in the relative value of pound sterling versus U.S. dollars could materially and adversely affect Bally's financial condition.

Gamesys currently is not subject to the internal controls and other compliance obligations of the U.S. securities laws, and Bally's may not be able to timely and effectively implement controls and procedures over Gamesys operations as required under the U.S. securities laws.

Gamesys currently is not subject to the information and reporting requirements of the Exchange Act and other U.S. federal securities laws, including the compliance obligations relating to, among other things, the maintenance of a system of internal controls as contemplated by the Exchange Act. Subsequent to the completion of the Combination, Bally's will need to timely and effectively implement the internal controls necessary to satisfy those requirements, which require annual management assessments of the effectiveness of internal control over financial reporting and a report by an independent registered public accounting firm addressing these assessments. Bally's intends to take appropriate measures to establish or implement an internal control environment at Gamesys aimed at successfully fulfilling these requirements. However, it is possible that Bally's may experience delays in implementing or be unable to implement the required internal financial reporting controls and procedures, which could result in enforcement actions, the assessment of penalties and civil suits, failure to meet reporting obligations and other material and adverse events that could have a negative effect on the market price for Bally's common stock.

Future changes to U.S. and non-U.S. tax laws could adversely affect the Combined Group

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 UK and other countries in which Bally's and its affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect Bally's and its affiliates (including Bally's and its affiliates after the Combination).

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. The Bally's Group is currently unable to predict whether such changes will occur and, if so, the ultimate impact on the Bally's Group's business or, following the Combination, the business of the Combined Group.

Bally's and Gamesys are and, after the Combination, the Combined Group will be dependent on key management personnel and may face challenges in attracting and retaining individuals with specialized skills and experience.

The Bally's Group's and Gamesys' success is and, following the Combination, the Combined Group's success will be largely dependent upon the performance of their key management, marketing and technology personnel. As competition for highly skilled management, marketing and technology personnel is intense, any inability to retain employees, key members of Bally's, Gamesys' and, following the Combination, the Combined Group's executive management team, and to attract and retain key employees, in particular those who have subject-matter expertise and institutional knowledge and the necessary skills critical to their operations and the implementation of their strategy, may have a material adverse effect upon Bally's, Gamesys' and, following the Combination, the Combined Group's business, prospects, revenues, operating results and financial condition.

2. RISKS RELATED TO THE BALLY'S GROUP

COVID-19 Pandemic Risks and General Economic Conditions

The global COVID-19 pandemic has materially impacted the Bally's Group's business, financial results and liquidity, and such impact could worsen and last for an unknown period of time.

The global spread of the COVID-19 pandemic has been, and continues to be, complex and rapidly evolving, with governments, public institutions and other organisations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as restrictions and bans on travel or transportation; stay-at-home directives; requirements that individuals wear masks or other face coverings; limitations on the size of gatherings; closures of work facilities, schools, public buildings and businesses; cancellation of events, including sporting events, concerts, conferences and meetings; and quarantines and lock-downs. The pandemic and its consequences have dramatically reduced travel and demand for hotel rooms and other casino resort amenities, which has had a negative impact on the Bally's Group's results for the 2020 fiscal year and continuing into 2021. In particular, all of the Bally's Group's properties had previously been required to close and are currently operating under various reduced capacities and other operating restraints and will continue to do so for an undetermined period of time pursuant to various state and local government regulations, orders or directives.

The extent to which the COVID-19 pandemic impacts the Bally's Group's business, operations and financial results, including the duration and magnitude of such effects, will depend on numerous evolving factors that it may not be able to accurately predict or assess, including the duration and scope of the pandemic (and whether there is a continued resurgence in new cases, hospitalisations or deaths in the future or when the vaccine or other therapeutics become widely available); the negative impact it has on global and regional economies and economic activity, including the duration and magnitude of its impact on unemployment rates and consumer discretionary spending; its short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence even after travel advisories and restrictions are lifted; the ability of the Bally's Group and the Bally's Group's business partners to successfully navigate the impacts of the pandemic; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel and limiting or banning leisure, casino and entertainment activities; and how quickly economies, travel activity and demand for gaming, entertainment and leisure activities recover after the pandemic subsides. The impact of the COVID-19 pandemic may also have the effect of exacerbating many of the other risks described in this filing. As a result of the foregoing, the Bally's Group cannot predict the ultimate scope, duration and impact the COVID-19 pandemic will have on the Bally's Group's results of operations, but the Bally's Group expects that it will continue to have a material and adverse impact on the Bally's Group's business, financial condition, liquidity, results of operations (including revenues and profitability) and stock price.

All of the properties that the Bally's Group currently owns, as well as those the Bally's Group has agreed to acquire, are currently operating at less than full capacity and without all available amenities, and the Bally's Group is unable to predict when all, or any of, such properties will return to pre-pandemic operating levels, or the period of time required for the ramp-up of operations.

All of the Bally's Group properties and those the Bally's Group has agreed to acquire are currently operating under reduced capacity and other restrictions and without all available amenities pursuant to state and local government requirements as a result of the unprecedented public health crisis from the COVID-19 pandemic. As a result, these properties are predominately generating less than pre-pandemic levels of revenue.

While the Bally's Group has engaged in cost reduction efforts in connection with the restrictions, it still has significant fixed and variable expenses, which will adversely affect its profitability. Furthermore, while the Bally's Group is working closely with government officials on plans to fully re-open the Bally's Group's properties when the government restrictions are lifted, the Bally's Group cannot predict the duration or any additional limitations the government or the Bally's Group may impose on its operations. Currently the Bally's Group's operations include some combination of screening of employees and guests upon entrance of the properties, thermal imaging cameras, enforcement of social distancing guidelines, including spacing between video lottery terminals ("VLTs") and limited or no table games, frequent cleaning and sanitizing protocols for all areas, mask protection and public awareness signage. In addition, the Bally's Group has experienced, and may continue to experience, weakened demand at the Bally's Group's properties in light of continued travel restrictions or warnings, consumer fears and reduced consumer discretionary spending and general economic uncertainty. In light of the foregoing, the Bally's Group is unable to determine when all the Bally's Group's properties will return to pre-pandemic demand, but the Bally's Group expects that the impact may have a material impact on the Bally's Group's consolidated results of operations during 2021, particularly if new cases, hospitalisations and deaths in the Bally's Group's markets continue to rise.

The Bally's Group has undertaken actions to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 pandemic, which could negatively impact guest loyalty and the Bally's Group's ability to attract and retain employees.

As a result of the closures the Bally's Group experienced in the second quarter of 2020, the current restrictions on operations at all of its properties and the continued uncertainty regarding the duration and severity of this pandemic, the Bally's Group has taken steps to reduce operating costs and improve efficiencies, including furloughing employees. Such steps, and further changes the Bally's Group may make in the future to reduce costs, may negatively impact guest loyalty or the Bally's Group's ability to attract and retain employees, and the Bally's Group's reputation may suffer as a result. For example, if all of the Bally's Group's furloughed employees do not return to work with the Bally's Group when the COVID-19 pandemic subsides, including because they find new employment during the furlough, the Bally's Group may experience operational challenges that may impact its ability to resume operations in full. The Bally's Group may also face demands or requests from labour unions that represent its employees, whether in the course of its periodic renegotiation of the Bally's Group's collective bargaining agreements, through effects bargaining relating to the shut down and/or reopening of its operations, or otherwise, for additional compensation, healthcare benefits or other terms as a result of the COVID-19 pandemic that could increase costs, and the Bally's Group could experience labour disputes or disruptions as it continues to implement its COVID-19 mitigation plans. The properties the Bally's Group has agreed to acquire face similar challenges.

The Bally's Group's business is particularly sensitive to reductions in discretionary consumer spending.

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

Competition

The gaming industry is very competitive and increased competition, including through legislative legalisation or expansion of gaming by states in or near where the Bally's Group owns facilities or through Native American gaming facilities and internet gaming, could adversely affect the Bally's Group's financial results.

The Bally's Group faces significant competition in all of the areas in which it conducts its business. Increased competitive pressures may adversely affect the Bally's Group's ability to continue to attract customers or affect the Bally's Group's ability to compete efficiently.

Several of the facilities where the Bally's Group conducts its business are located in jurisdictions that restrict gaming to certain areas and/or that may be affected by state laws that currently prohibit or restrict gaming operations. The Bally's Group also faces the risk that existing casino licencees will expand their operations and the risk that Native American gaming will continue to grow. Budgetary and other political pressures faced by state governments could lead to intensified efforts directed at the legalisation of gaming in jurisdictions where it is currently prohibited. The legalisation of gaming in such jurisdictions could be an expansion opportunity for the Bally's Group's business, or create competitive pressures, depending on where the legalisation occurs and the Bally's Group's ability to capitalise on it. The Bally's Group's ability to attract customers to the existing casinos which it owns could be significantly and adversely affected by the legalisation or expansion of gaming in certain jurisdictions and by the development or expansion of Native American casinos in areas where its customers may visit.

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

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

In addition, in May 2018, the U.S. Supreme Court struck down as unconstitutional the Professional and Amateur Sports Protection Act of 1992, a federal statute enacted to stop the spread of state-sponsored sports gambling. This decision has the effect of lifting federal restrictions on sports wagering and thus allows states to determine by themselves the legality of sports wagering. While new federal online gaming legislation has been introduced in Congress from time to time, there has been no federal legislative response to the U.S. Supreme Court's decision.

As a result, numerous states, including states in which the Bally's Group currently operates—Rhode Island, Delaware, Mississippi, Colorado and Indiana—have passed legislation authorising fixed-odds sports betting. The Bally's Group's Rhode Island, Delaware, Mississippi and Indiana properties now offer sports wagering pursuant to state law in each case and the properties the Bally's Group has recently acquired in Black Hawk, Colorado, will also offer sports wagering.

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

Compliance, Regulatory and Legal Risks

The Bally's Group is subject to extensive state and local regulation and licensing, and gaming authorities have significant control over the Bally's Group's operations, which could have an adverse effect on its business.

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

Gaming authorities in the U.S. generally can require that any beneficial owner of the Bally's Group's securities file an application for a finding of suitability. If a gaming authority requires a record or beneficial owner of the Bally's Group's securities to file a suitability application, the owner must generally apply for a finding of suitability within 30 days or at an earlier time prescribed by the gaming authority. The gaming authority has the power to investigate such an owner's suitability and the owner must pay all costs of the investigation. If the owner is found unsuitable, then the owner may be required by law to dispose of the Bally's Group's securities.

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

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

The Bally's Group is subject to numerous federal, state and local laws that may expose the Bally's Group to liabilities or have a significant adverse impact on its operations. Changes to any such laws could have a material adverse effect on its operations and financial condition.

The Bally's Group's business is subject to a variety of federal, state and local laws, rules, regulations and ordinances. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Changes to any of the laws, rules,

regulations or ordinances to which the Bally's Group is subject, new laws or regulations, or material differences in interpretations by courts or governmental authorities could have an adverse effect on its business, financial condition, results of operations and prospects.

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

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

Legislation in various forms to ban or substantially curtail indoor tobacco smoking in public places has been enacted or introduced in many states and local jurisdictions, including some of the jurisdictions in which the Bally's Group operates. The Bally's Group believes the smoking restrictions can significantly impact business volumes. If additional smoking restrictions are enacted within jurisdictions where the Bally's Group operates or seeks to do business, its financial condition, results of operations and cash flows could be adversely affected.

In addition, each restaurant which the Bally's Group operates must obtain a food service licence from local authorities. Failure to comply with such regulations could cause its licences to be revoked or its related restaurant business or businesses to be forced to cease operations. Moreover, state liquor laws may prevent the expansion of restaurant operations into certain markets.

The Bally's Group handles significant amounts of cash in its operations and are subject to various reporting and anti-money laundering laws and regulations. Recently, U.S. governmental authorities have evidenced an increased focus on compliance with anti-money laundering laws and regulations in the gaming industry. Any violation of anti-money laundering laws or regulations could have a material adverse effect on the Bally's Group's business, financial condition, results of operations and prospects. Internal control policies and procedures and employee training and compliance programs that the Bally's Group has implemented to deter prohibited practices may not be effective in prohibiting the Bally's Group's employees, contractors or agents from violating or circumventing the Bally's Group's policies and the law. If the Bally's Group or its employees or agents fail to comply with applicable laws or the Bally's Group's policies governing the Bally's Group's operations, the Bally's Group may face investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions. Any such government investigations, prosecutions or other legal proceedings or actions could have a material adverse effect on the Bally's Group's business, financial condition, results of operations and prospects.

Failure to comply with the terms of the Regulatory Agreement could result in a breach and could harm the Bally's Group's business.

The Bally's Group is currently a party to the Regulatory Agreement with Rhode Island regulatory agencies. The Regulatory Agreement imposes certain affirmative and negative covenants on the Bally's Group. A failure to comply with the provisions in the Regulatory Agreement could subject the Bally's Group to injunctive or monetary relief, payments to the Rhode Island regulatory agencies and ultimately the revocation or suspension of the Bally's Group's licences to operate in Rhode Island. Any such remedy could

adversely affect the Bally's Group's business, financial condition and results of operations. Among other things, the Regulatory Agreement prohibits the Bally's Group and the Bally's Group's subsidiaries from owning, operating, managing or providing gaming-specific goods and services to any gaming facilities in Rhode Island (other than Twin River Casino Hotel and Tiverton Casino Hotel), Massachusetts, Connecticut or New Hampshire, which may adversely affect the Bally's Group's growth and market opportunity in those states.

The Bally's Group is subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.

The Bally's Group is subject to various federal, state and local environmental laws and regulations that govern activities that may have adverse environmental effects, such as discharges to air and water, as well as the management and disposal of solid, animal and hazardous wastes and exposure to hazardous materials. These laws and regulations, which are complex and subject to change, include United States Environmental Protection Agency regulations. In addition, the Bally's Group's horse racing facility in Colorado is subject to state laws and regulations that address the impacts of manure and wastewater generated by Concentrated Animal Feeding Operations ("CAFO") on water quality, including, but not limited to, storm water discharges. CAFO regulations include permit requirements and water quality discharge standards. Enforcement of CAFO regulations has been receiving increased governmental attention. Compliance with these and other environmental laws can, in some circumstances, require significant capital expenditures. For example, the Bally's Group may incur future costs under existing and new laws and regulations pertaining to storm water and wastewater management at the Bally's Group's racetracks. Moreover, violations can result in significant penalties and, in some instances, interruption or cessation of operations.

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

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

The Bally's Group is or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact its business and financial condition.

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

Business Operational Risks

The Bally's Group has a new business model, which makes it difficult for it to forecast its financial results, creates uncertainty as to how investors will evaluate its prospects, and increases the risk that it will not be successful.

The Bally's Group is in the process of expanding its product offering to include sportsbook and iGaming product offerings in 2021. In November 2020, the Bally's Group announced a long-term strategic partnership with Sinclair Broadcast Group that combines the Bally's Group's sports betting technology with their local

broadcast television stations and regional sports networks. The Bally's Group also recently completed its acquisitions of MKF, SportCaller and Bet.Works. These acquisitions represent a new business model and new offerings. Accordingly, it will be difficult for the Bally's Group to forecast its future financial results, and it will be uncertain how its new business model will affect investors' perceptions and expectations, which can be idiosyncratic and vary widely, with respect to the Bally's Group's prospects. It may be difficult for investors to evaluate the Bally's Group's business due to the lack of similarly situated competitors. Furthermore, the Bally's Group's new business model may not be successful. Consequently, you should not rely upon the Bally's Group's past quarterly financial results as indicators of its future financial performance, and the Bally's Group's financial results and stock price may be negatively affected.

The Bally's Group's VLTs and table games hold percentages may fluctuate.

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

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

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

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

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

The Bally's Group's casino and hotel properties have an ongoing need for renovations and other capital improvements to remain competitive, including room refurbishments, amenity upgrades, and replacement, from time to time, of furniture, fixtures and equipment. The Bally's Group may also need to make capital expenditures to comply with applicable laws and regulations. Construction projects entail significant risks, which can substantially increase costs or delay completion of a project. Such risks include shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, weather interference and unanticipated cost increases. Most of these factors are beyond the Bally's Group's control. In addition, difficulties or delays in obtaining any of the requisite licences, permits or authorisations from regulatory authorities can increase the cost or delay the completion of an expansion or development.

Significant budget overruns or delays with respect to expansion and development projects could adversely affect the Bally's Group's business and its results of operations.

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

The Bally's Group may invest in or acquire other businesses, and the Bally's Group's business may suffer if it is unable to successfully integrate acquired businesses into the Bally's Group or otherwise manage the growth associated with multiple acquisitions.

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

The Bally's Group faces risks associated with growth and acquisitions.

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

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

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

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

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

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

There can be no assurance that the Bally's Group will not face similar challenges and difficulties with respect to new development projects or expansion efforts that the Bally's Group may undertake, which could result in significant sunk costs that it may not be able to fully recoup or that otherwise have a material adverse effect on its financial condition and results of operations. The Bally's Group may not be able to obtain additional financing on acceptable terms or at all. To the extent that the Bally's Group seeks to acquire other businesses in exchange for Bally's Shares, fluctuations in its stock price could adversely affect its ability to complete acquisitions. The Bally's Group may not realise the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures or new business strategies.

The Bally's Group has invested in, formed strategic alliances with and announced proposed joint ventures with other companies, including a proposed joint venture with IGT in Rhode Island (the "**Joint Venture**"), and the Bally's Group may expand those relationships or enter into similar relationships with additional companies which may require various state approvals which may or may not be granted. These initiatives are typically complex and the Bally's Group may not be able to complete anticipated alliance or joint venture transactions, the anticipated benefits of these transactions may not be realised or the benefits may be delayed. For example, the Bally's Group may not successfully integrate an alliance or joint venture with its operations, including the implementation of its controls, systems, procedures, and policies, or unforeseen expenses or liabilities may arise that were not discovered during due diligence prior to an investment or entry into a strategic alliance, or a misalignment of interests may develop between the Bally's Group and the other party. Further, to the extent the Bally's Group shares ownership, control or management with another party in a joint venture, the Bally's Group's ability to influence the joint venture may be limited, and the Bally's Group may be unable to prevent misconduct or implement its compliance or internal control systems. In addition, implementation of a new business strategy may lead to the disruption of the Bally's Group's existing business operations, including distracting management from current operations. Results of operations from new activities may be lower than the Bally's Group's existing activities, and, if a strategy is unsuccessful, it may not recoup its investments in that strategy. Failure to successfully and timely realise the

anticipated benefits of these transactions or strategies could have an adverse effect on the Bally's Group's financial condition or results of operations.

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

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

The Bally's Group's growth will depend, in part, on the success of its strategic relationships with third parties. Overreliance on certain third parties, or its inability to extend existing relationships or agree to new relationships may cause unanticipated costs for the Bally's Group and impact its financial performance in the future.

The Bally's Group has entered into strategic partnership with Sinclair Broadcast Group and with the National Hockey League and may enter into relationships with advertisers, casinos and other third parties in order to attract users to its platform. These relationships along with providers of online services, search engines, social media, directories and other websites and e-commerce businesses direct consumers to its platform. In addition, many of the parties with whom the Bally's Group has advertising arrangements provide advertising services to other companies, including other fantasy sports and gaming platforms with whom the Bally's Group competes. While the Bally's Group believes there are other third parties that could drive users to its platform, adding or transitioning to them may disrupt the Bally's Group's business and increase its costs. In the event that any of the Bally's Group's existing relationships or its future relationships fail to provide services to the Bally's Group in accordance with the terms of its arrangement, or at all, and the Bally's Group is not able to find suitable alternatives, this could impact its ability to attract consumers cost effectively and harm its business, financial condition, results of operations and prospects.

The Bally's Group conducts its business in an industry that is subject to high taxes and may be subject to higher taxes in the future.

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

The Bally's Group's operations in other states are generally subject to significant revenue-based taxes and fees in addition to normal federal, state and local income taxes, and such taxes and fees are subject to increase at any time. In addition, from time to time, federal, state and local legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Further, worsening economic conditions could intensify the efforts of Delaware, Colorado and Mississippi and applicable local governments to raise revenues through increases in gaming taxes and/or property taxes. It is

not possible to determine with certainty the likelihood of changes in tax laws in these jurisdictions or in the administration of such laws. Such changes, if adopted, could adversely affect the Bally's Group's business, financial condition and results of operations. The large number of state and local governments with significant current or projected budget deficits makes it more likely that those governments that currently permit gaming will seek to fund such deficits with new or increased gaming taxes and/or property taxes, and worsening economic conditions could intensify those efforts. Any material increase, or the adoption of additional taxes or fees, could adversely affect the Bally's Group's future financial results.

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

If the Bally's Group fails to detect fraud or theft, including by its users and employees, its reputation may suffer which could harm its brand and reputation and negatively impact its business, financial condition and results of operations and can subject the Bally's Group to investigations and litigation.

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

Acts of fraud may involve various tactics, including collusion. Successful exploitation of the Bally's Group's systems could have negative effects on its product offerings, services and user experience and could harm its reputation. Failure to discover such acts or schemes in a timely manner could result in harm to the Bally's Group's operations. In addition, negative publicity related to such schemes could have an adverse effect on the Bally's Group's reputation, potentially causing a material adverse effect on its business, financial condition, results of operations and prospects. In the event of the occurrence of any such issues with the Bally's Group's existing platform or product offerings, substantial engineering and marketing resources and management attention may be diverted from other projects to correct these issues, which may delay other projects and the achievement of the Bally's Group's strategic objectives.

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

Despite measures the Bally's Group has taken to detect and reduce the occurrence of fraudulent or other malicious activity on its platform, the Bally's Group cannot guarantee that any of its measures will be effective or will scale efficiently with its business. The Bally's Group's failure to adequately detect or prevent fraudulent transactions could harm its reputation or brand, result in litigation or regulatory action and lead to expenses that could adversely affect its business, financial condition and results of operations. The Bally's Group is largely dependent on the skill and experience of management and key personnel.

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

In addition, the Bally's Group's officers, directors and key employees are required to file applications with the gaming authorities in each of the jurisdictions in which it conducts its business and are required to be licenced or found suitable by these gaming authorities. If the gaming authorities were to find an officer,

director or key employee unsuitable for licensing or unsuitable to continue having a relationship with the Bally's Group, the Bally's Group would have to sever all relationships with that person. Furthermore, the gaming authorities may require the Bally's Group to terminate the employment of any person who refuses to file appropriate applications. Either result could significantly impair the Bally's Group's operations. The time and effort needed to successfully complete the application process could impact the Bally's Group's ability to attract, hire and retain top talent.

The Bally's Group is subject to risks associated with labour relations, labour costs and labour disruptions.

The Bally's Group is subject to the costs and risks generally associated with labour disputes and organizing activities related to unionised labour. From time to time, the Bally's Group's operations may be disrupted by strikes, public demonstrations or other coordinated actions and publicity. The Bally's Group may incur increased legal costs and indirect labour costs as a result of contractual disputes, negotiations or other labour-related disruptions. The Bally's Group has collective bargaining agreements applicable to approximately 36% of its employees as of 31 December 2019. The Bally's Group has 13 collective bargaining agreements with terms ranging between three to five years generally. These agreements are based solely in Rhode Island. The Bally's Group may also face organizing activities that could result in additional employees becoming unionised. Furthermore, collective bargaining agreements may limit the Bally's Group's ability to reduce the size of its workforce during an economic downturn, which could put the Bally's Group at a competitive disadvantage.

The Bally's Group's obligation to fund multi-employer defined benefit pension plans to which it is a party may adversely affect it.

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

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

In addition, the funding obligations for the Bally's Group's pension plans will be impacted by the performance of the financial markets, particularly the equity markets, and interest rates. Funding obligations are determined by government regulations and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long-term returns that are expected, the Bally's Group could be required to make larger contributions. The equity markets can be very volatile, and in the first quarter of 2020 they have displayed meaningful volatility and, therefore, the Bally's Group's estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. An adverse change in the funded status of the plans could significantly increase the Bally's Group's required contributions in the future and adversely impact its liquidity.

The Bally's Group may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets.

The Bally's Group monitors the recoverability of its long-lived assets, such as buildings, and evaluates their carrying value for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. The Bally's Group annually reviews goodwill to determine whether impairment has occurred. Additionally, interim reviews are performed whenever events or changes in circumstances indicate that impairment may have occurred. If the testing performed indicates that impairment has occurred, the Bally's Group is required to record a non-cash impairment charge for the difference between the carrying value and fair value of the long-lived assets or the carrying value and fair value of the reporting unit, in the period the determination is made. The testing of long-lived assets and goodwill for impairment requires the Bally's Group to make estimates that are subject to significant assumptions about its future revenue, profitability, cash flows, fair value of assets and liabilities, weighted average cost of capital, as well as other assumptions. Changes in these estimates, or changes in actual

performance compared with these estimates, may affect the fair value of long-lived assets or the reporting unit, which may result in an impairment charge.

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

The Bally's Group's operations have historically been subject to seasonal variations and quarterly fluctuations in operating results, and the Bally's Group can expect to experience such variations and fluctuations in the future.

Historically, the Bally's Group's gaming facilities have typically been subject to seasonal variations. In the Rhode Island market, excessive snowfall during the winter months can make travel to Rhode Island casinos more difficult. This often results in significant declines in traffic on major highways and causes a decline in customer volume. Furthermore, management believes that substantially all visitors to the Rhode Island casinos arrive by some form of ground transportation. Therefore, even normal winter weather may cause revenues and cash flows for the Bally's Group's Rhode Island and Delaware operations to be adversely affected. The Bally's Group's recently acquired Black Hawk Casinos are subject to similar risks.

The Bally's Group's insurance and self-insurance programs may not be adequate to cover future claims.

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

The Bally's Group's results of operations and financial condition could be adversely affected by the occurrence of natural disasters, such as hurricanes, or other catastrophic events, including war and terrorism.

Natural disasters, such as major hurricanes, typhoons, floods, fires and earthquakes, could adversely affect the Bally's Group's business and operating results. Hurricanes are common in the areas in which the Bally's Group's Mississippi property is located, and the severity of such natural disasters is unpredictable.

Catastrophic events, such as terrorist attacks in the United States and elsewhere, have had a negative effect on travel and leisure expenditures, including lodging, gaming (in some jurisdictions) and tourism. The Bally's Group cannot accurately predict the extent to which such events may affect the Bally's Group, directly or indirectly, in the future. There can be no assurance that the Bally's Group will be able to obtain or choose to purchase any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts. If there is a prolonged disruption at the Bally's Group's facilities due to natural disasters, terrorist attacks or other catastrophic events, the Bally's Group's results of operations and financial condition would be adversely affected. The Bally's Group may be unable to obtain business interruption coverage for casualties resulting from severe weather such as hurricanes, and there can be no assurance that the Bally's Group will be able to obtain casualty insurance coverage at affordable rates, if at all, for casualties resulting from severe weather.

Cybersecurity and Technology Risks

The Bally's Group relies on information technology and other systems and platforms, and any failures, errors, defects or disruptions in its systems or platforms could diminish its brand and reputation, subject it to liability, disrupt its business, affect its ability to scale its technical infrastructure and adversely affect its operating results and growth prospects.

The Bally's Group, or one of its state regulatory bodies, engages a number of third parties to provide gaming operating systems for the facilities it owns. As a result, the Bally's Group relies on such third parties to provide uninterrupted services in order to run its business efficiently and effectively. In the event one of these third parties experiences a disruption in its ability to provide such services (whether due to technological or financial difficulties or power problems), this may result in a material disruption to the wagering activity at the casinos which the Bally's Group owns and have a material adverse effect on the Bally's Group's business, operating results and financial condition.

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

The Bally's Group believes that if the Bally's Group's users have a negative experience with its offerings, or if its brand or reputation is negatively affected, users may be less inclined to continue or resume utilizing the Bally's Group's products or recommend its platform to other potential users. As such, a failure or significant interruption in the Bally's Group's service would harm its reputation, business and operating results.

The Bally's Group's business may be harmed from cyber security incidents and the Bally's Group may be subject to legal claims if there is loss, disclosure or misappropriation of or access to its customers', business partners' or its own information or other breaches of information security.

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

In addition, third-party service providers and other business partners process and maintain proprietary business information and data related to the Bally's Group's employees, customers, suppliers and other business partners. The Bally's Group's information technology and other systems that maintain and transmit this information, or those of service providers or business partners, may also be compromised by a malicious third-party penetration of its network security or that of a third-party service provider or business partner, or impacted by intentional or unintentional actions or inactions by its employees or those of a third-party service provider or business partner. As a result, the Bally's Group's business information, customer, supplier and other business partner data may be lost, disclosed, accessed or taken without consent.

Any such loss, disclosure or misappropriation of, or access to, customers' or business partners' information or other breach of the Bally's Group's information security can result in legal claims or legal proceedings, including regulatory investigations and actions, may have a serious impact on the Bally's Group's reputation

and may adversely affect its business, operating results and financial condition. Furthermore, the loss, disclosure or misappropriation of the Bally's Group's business information may adversely affect its reputation, business, operating results and financial condition.

Financing Risks

The Bally's Group's debt agreements and regulatory agreement contain restrictive covenants that may limit its operating flexibility.

The Bally's Group's current credit facility and regulatory agreement includes, and its future debt agreements and regulatory agreements will likely include, numerous financial and other covenants, imposing financial and operating restrictions on its business. The Bally's Group's ability to comply with these provisions may be affected by general economic conditions, industry conditions and other events beyond its control. While based on present funding requirements, it is not anticipated at the date of this Prospectus that the Bally's Group (and, if the Combination is consummated, the Combined Group) will be unable to comply with these covenants in the 12 to 18 months following the date of this Prospectus, there can be no assurance that beyond the 12 to 18 months from the date of this Prospectus the Bally's Group would be able to comply with these covenants. The failure to comply with a financial covenant or other restrictions contained in the agreements governing such indebtedness or the Bally's Group's regulatory agreement, may result in an event of default under the credit agreement or sanctions or fines under the regulatory agreement. An event of default under the Bally's Group's credit facility could result in acceleration of some or all of the applicable indebtedness as well as other indebtedness of the Bally's Group and the inability to borrow additional funds. The Bally's Group does not have, and cannot be certain it would be able to obtain, sufficient funds to repay any such indebtedness if it is accelerated. Restrictions in the Bally's Group's debt agreements or its regulatory agreements might affect its ability to operate its business, might limit its ability to take advantage of potential business opportunities as they arise and might adversely affect the conduct of its current business, including by restricting its ability to finance future operations and capital needs and limiting its ability to engage in other business activities.

The Bally's Group's existing and future indebtedness may limit its operating and financial flexibility.

As of 31 December 2020, the Bally's Group had approximately \$1.13 billion of total indebtedness outstanding consisting of \$569.1 million outstanding under its term loan facility (the "**Term Loan Facility**" or "**Term Loan**") pursuant to the terms of a credit agreement the Corporation entered into on 10 May 2019 (the "**Credit Agreement**") with Citizens Bank, N.A., as administrative agent (the "**Agent**"), and the lenders party thereto, and \$400.0 million in aggregate principal amount of outstanding 6.75% senior notes due 2027 (the "**Senior Notes**"). As of 31 December 2020, the Bally's Group also were a party to a \$250.0 million revolving credit facility (the "**Revolving Credit Facility**" or "**Revolver**" and together with the Term Loan, the "**Credit Facility**"), of which there were no borrowings as of that date. This indebtedness may have important negative consequences for the Bally's Group, including:

- limiting its ability to satisfy obligations;
- increasing vulnerability to general adverse economic and industry conditions;
- limiting flexibility in planning for, or reacting to, changes in its businesses and the markets in which it conducts business;
- increasing vulnerability to, and limiting its ability to react to, changing market conditions, changes in industry and economic downturns;
- subjecting it to a number of restrictive covenants that, among other things, limit its ability to pay dividends and distributions, make acquisitions and dispositions, borrow additional funds and make capital expenditures and other investments;
- limiting its ability to use operating cash flow in other areas of its business because the Bally's Group must dedicate a significant portion of these funds to make principal and/or interest payments on outstanding debt;
- exposing it to interest rate risk due to the variable interest rate on borrowings under its Credit Facility;
- affecting its ability to renew gaming and other licences necessary to conduct its business.

Though the Bally's Group has significant amounts of indebtedness outstanding, it has the ability to borrow the entire \$250.0 million under its Revolving Credit Facility and may issue or incur additional indebtedness to fund its operations, including as necessary to execute on its growth strategy. Further, it may incur other

liabilities that do not constitute indebtedness. The risks that the Bally's Group face based on its outstanding indebtedness may intensify if it incurs additional indebtedness or financing obligations in the future.

A market downturn may negatively impact the Bally's Group's access to financing.

Since emergence from a recession over ten years ago, the U.S. economy has been expanding at various growth rates. Such growth could slow, or reverse, and another economic downturn could occur, including as a result of the ongoing outbreak of the COVID-19 virus. A downturn in the financial markets or market volatility (like those now being experienced) could negatively impact the Bally's Group's ability to access capital and financing (including financing necessary for acquisitions or to refinance its existing indebtedness) on acceptable terms and prices, that the Bally's Group would otherwise need in connection with the operation of its business.

Risks Related to the Bally's Shares

The market price of the Bally's Shares could fluctuate significantly.

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

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

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

The Bally's Group's largest shareholder owns a meaningful percentage of its outstanding common stock, which could limit the ability of other shareholders to influence corporate matters.

The Bally's Group's largest shareholder beneficially owned 23.22% of the outstanding Bally's Shares as of 28 May 2021, being the latest practicable date, before the date of this Prospectus. As a result, this shareholder, who is also the Bally's Group's chairman, may be able to exert influence over the Bally's Group's affairs and policies. This concentrated ownership could limit the ability of the remaining shareholders to influence corporate matters, and the interests of the large shareholder may not coincide with the Bally's Group's interests or the interests of the remaining shareholders. The concentration of ownership may also have the effect of delaying, preventing or deterring a change of control.

The Bally's Group is not paying dividends and any decision to do so in the future will be at the discretion of the Bally's Group's Board.

The timing, declaration, amount and payment of any future dividends will be at the discretion of the Bally's Board and will depend upon, among other factors, the Bally's Group's earnings, cash requirements, financial condition, requirements to comply with the covenants under its debt instruments and the Regulatory Agreement, legal considerations, and other factors that the Bally's Board deems relevant. If the Bally's Group does not pay cash dividends on the Bally's Shares in the future, then the return on an investment in

the Bally's Shares will depend entirely upon its future stock price. There is no guarantee that the Bally's Shares will maintain its value or appreciate in value.

Bally's is a holding company and will depend on its subsidiaries for dividends, distributions and other payments.

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

As a public company Bally's is obligated to develop and maintain proper and effective internal control over financial reporting and any failure to do so may adversely affect investor confidence in Bally's and, as a result, the value of the Bally's Shares.

Bally's is required by Section 404 of the Sarbanes-Oxley Act to furnish an annual report by management on, among other things, its assessment of the effectiveness of its internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by Bally's management in its internal control over financial reporting. Bally's also is required to disclose significant changes made in its internal control procedures on a quarterly basis. The process of designing, implementing and testing internal controls over financial reporting is time consuming, costly and complicated. However, for as long as Bally's remains an emerging growth company as defined in the JOBS Act, Bally's intends to take advantage of the exemption permitting Bally's to avoid the independent registered public accounting firm attestation requirement.

If Bally's is unable to successfully remediate any future deficiencies or weaknesses in its internal control over financial reporting, or if Bally's identifies any additional deficiencies or weaknesses, the accuracy and timing of Bally's financial reporting could be adversely affected, Bally's may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in Bally's financial reporting and/or its stock price may decline as a result.

Gamesys Shareholders receiving New Bally's Shares in the Combination will become shareholders in a Delaware corporation, which will change the rights and privileges of such shareholders in comparison to the rights and privileges of a shareholder in an English company.

Bally's is governed by the laws of the United States and the State of Delaware and by its Bylaws. The Delaware General Corporation Law extends to shareholders certain rights and privileges that may not exist under English law and, conversely, does not extend certain rights and privileges that a Gamesys Shareholder may have as a shareholder of a company governed by English law. Further, Bally's has adopted, or is subject to, certain provisions that have the effect of discouraging a third party from acquiring control of it.

The Corporation's Certificate of Incorporation, the Bylaws and the DGCL contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by the Board, including the following provisions:

- providing for a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of the Bally's Board;
- limiting the ability of the Bally's Shareholders to call and bring business before special meetings and to take action by written consent in lieu of a meeting;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of the Corporation's stockholders and for nominations of candidates for election to the Bally's Board;
- controlling the procedures for the conduct and scheduling of the Bally's Board and stockholder meetings;
- limiting the ability for persons to acquire 5% or more of the Bally's Shares;
- providing the Bally's Board with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings;

- limiting the determination of the number of directors on the Bally's Board and the filling of vacancies or newly created seats on the board to the Bally's Board then in office; and
- providing that directors may be removed by stockholders only for cause.

These provisions, alone or together, could delay hostile takeovers and changes in control of the Corporation or changes in the Bally's Group's management.

As a Delaware corporation, the Corporation is also subject to provisions of the DGCL, including Section 203 of the DGCL, which prevents some stockholders holding more than 15% of the Corporation's outstanding common stock from engaging in certain business combinations with it. Any provision of the Corporation's Certificate of Incorporation, the Bylaws or the DGCL that has the effect of delaying or deterring a change in control could limit the opportunity for the Bally's Shares to receive a premium for Bally's Shares and could also affect the price that some investors are willing to pay for the Bally's Shares.

Such provisions may have the effect of discouraging or preventing certain types of transactions involving an actual or a threatened change in control of Bally's, including unsolicited takeover attempts, even though such a transaction may offer Bally's Shareholders at such time the opportunity to sell their Bally's Shares at a premium above the unaffected market price. See Part XX ("**Additional Information**") for more information on Bally's Bylaws.

You may experience future dilution as a result of future equity issuances.

In the future, the Bally's Group may sell additional shares to raise capital or acquire interests in other companies by using shares or a combination of cash and shares. Under the terms of the Combination, Gamesys shareholders have the option to receive, for each of their shares of Gamesys, 1,850 pence in cash or Bally's Shares or a combination of both. Certain of Gamesys' current shareholders holding 25.6% of Gamesys' shares have agreed to receive Bally's Shares in the Combination. In addition, pursuant to a commitment letter (the "**GLPI Commitment Letter**") with GLPI, a publicly traded gaming focused real estate investment trust under which GLPI committed to purchase Bally's Shares, or, subject to US regulatory requirements, warrants, with a value of up to \$500 million, GLPI has irrevocably committed to purchase Bally's Shares, or, subject to U.S. regulatory requirements, warrants, with a value of up to \$500.0 million, at a price per share based on volume-weighted average price determined over a period of time prior to such issuance. In connection with Bally's strategic partnership with Sinclair, we issued to Sinclair (1) an immediately exercisable warrant to purchase up to 4,915,726 shares of the Corporation at an exercise price of \$0.01 per share, (2) a warrant to purchase up to a maximum of 3,279,337 additional shares of the Corporation at a price of \$0.01 per share subject to the achievement of various performance metrics, and (3) an option to purchase up to 1,639,669 additional shares in four tranches with purchase prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning on the fourth anniversary of the November 18, 2020 closing. In addition, in connection with the acquisitions of Monkey Knife Fight, SportCaller and Bet.Works, the Corporation agreed to issue shares or warrants to purchase shares. Further, as of March 31, 2021, we have 660,411 shares that are reserved for issuance under the Bally's Group's employee stock plans, which shares may be issued from time to time upon the vesting or exercise, as applicable, of various equity awards.

Additionally, the Bally's Group may seek approval to increase the number of authorised common shares or authorization to create new series or classes of securities under Bally's Amended and Restated Certificate of Incorporation, as amended. For example, on 18 May 2021, Bally's amended its Certificate of Incorporation to (1) increase the total number of the Corporation's authorized common shares from 100,000,000 to 200,000,000; and (2) authorise 10,000,000 shares of preferred stock and to provide that the Bally's Board is authorised to prescribe the series and the number of the shares of each series of preferred stock and the voting powers, designations, preferences, limitations, restrictions and relative rights of the shares of each series of preferred stock.

These events may dilute your ownership interest and have an adverse impact on the price of the shares. Furthermore, sales of a substantial amount of shares or any securities convertible into or exercisable or exchangeable for shares in the public market or the perception that these sales or conversions may occur, could reduce the market price of the shares. This could also impair the Bally's Group's ability to raise additional capital through the sale of its securities. No prediction can be made as to the effect, if any, that future sales or issuance of shares or other equity or equity-linked securities will have on the trading price of shares.

3. RISKS RELATED TO GAMESYS' BUSINESS

Declining popularity of games and changes in device preferences of players could have a negative effect on the Combined Group's business following the Combination.

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, among 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) minimise launch delays and cost overruns on new games; (5) minimise 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 Combination, the Combined Group's business, 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 it makes 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 it 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 it makes available, this may have a material adverse effect following the Combination on the Combined Group's business, prospects, revenues, operating results and financial condition.

The Bally's Group and Gamesys operate and, following the Combination, the Combined Group will operate in a highly competitive environment.

The online gambling industry is highly competitive, and the Bally's Group expects 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 the Bally's Group's, Gamesys' and, following the Combination, 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. The Bally's Group's, Gamesys' and, following the Combination, 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 the Bally's Group's, Gamesys' and, following the Combination, 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 utilises 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 favourable return to player in its (or a third party supplier's) gambling software which maximises revenue, it could have a material adverse effect on the Combined Group's business, prospects, revenues, operating results and financial condition.

Gamesys or certain third parties that it relies 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 licenced in 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 licences.

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 licence 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 it has 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 Combination, any relevant entity within the Corporation 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 Combination, 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 it operates.

The provision of convenient, trusted, fast and effective payment processing services to Gamesys' customers and potential customers is critical to its 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, unauthorised access or manipulation), or if such services are only available at an increased cost to Gamesys or its 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 its growth opportunities and strategies. Any of these

occurrences may have a material adverse effect on Gamesys' and, following the Combination, 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 its 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 its 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 Combination, the Combined Group's business, prospects, revenues, operating results and financial condition.

In addition, Gamesys is subject and, following the Combination, 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 recognised 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 Combination, 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 the Bally's Group's 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 the Combined Group seeks to operate in the future, which could have a material adverse effect on the Combined Group's financial condition and results of operations.

Gamesys is generally subject to laws and regulations relating to iGaming in the jurisdictions in which it conducts its 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 bias, may have a material impact on the Combined Group's 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 licenced 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 other governmental action or court decisions, may have a material impact on Gamesys' operations and financial results. Governmental authorities could view Gamesys as having violated local laws, despite the Combined Group's efforts to obtain all applicable licences or approvals. There is also the 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 servicing iGaming industries. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon Gamesys' licencees 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 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

Combination, the Combined Group's business, financial condition and results of operations, either as a result of the Combined Group's determination that a jurisdiction should be blocked, or because a local licence or approval may be costly for the Bally's Group or the Combined Group's business partners to obtain and/or such licences or approvals may contain other commercially undesirable conditions.

Gamesys' growth prospects depend on the legal status of real money gaming in various jurisdictions and legalisation may not occur in as many jurisdictions as Gamesys' expects, or may occur at a slower pace than Gamesys anticipates. Additionally, even if jurisdictions legalise 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 licences to operate in a particular jurisdiction may take longer than Gamesys anticipates, which could adversely affect the Combined Group's future results of operations and make it more difficult to meet the Combined Group's expectations for financial performance.

Several jurisdictions have legalised or are currently evaluating the legalisation of real money gaming, and Gamesys' business, financial condition, results of operations and business prospects are significantly dependent upon the status of legalisation in these jurisdictions. Gamesys' business plan is partially based upon the legalisation of real money gaming in additional jurisdictions and the legalisation 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 licences to operate iGaming websites in U.S. jurisdictions where such games are legalised, Gamesys' future growth in iGaming could be materially impaired.

As Gamesys enters new jurisdictions, states or the federal government may legalise real money gaming in a manner that is unfavourable 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 the Bally's Group expects will make it more costly and less desirable for it to launch in a given jurisdiction, while tax increases in any of the Bally's Group's existing jurisdictions may adversely impact profitability.

Therefore, even in cases in which a jurisdiction purports to licence 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 licencees. Therefore, some "liberalised" 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 licence.

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 licences 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 licence. 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 licence 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 licences (or obtain further registrations or licences, 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 licences, 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 be 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 licence and, following the Combination, the Combined Group's subsidiaries that depend on such licences.

Certain of Gamesys' technology providers, payment processing partners or other suppliers of content or services (collectively, "Infrastructure Services") may cease to provide, or may 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 licence. Such investigations, proceedings and/or penalties could have a material adverse effect on Gamesys' and, following the Combination, the Combined Group's business, prospects, revenues, operating results and financial condition, as well as its reputation.

Following the Combination, 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 cashflows, 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 Combination, 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 its control, and the proper functioning of its 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 its 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 its customers to access products and services offered by it. 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 favourably 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 Combination, 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 Combination, the Combined Group's business, prospects, revenues, operating results and financial condition.

The UK's withdrawal from the EU, as well as 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 United Kingdom formally left the European Union on 31 January 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, 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 Combination, for the Combined Group and have a material adverse effect on Gamesys and, following the Combination, 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 (although any such referendum would be subject to UK government approval). The implications of any vote in favour of independence are uncertain, but could still be wide-ranging (for instance, in affecting the value of GBP, global markets, 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 Combined, the Combination 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 it either: (1) has customers located in the UK and the EU, or (2) conducts 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% of annual worldwide turnover. In certain instances, Gamesys could be held jointly responsible for breaches committed by third-party service providers which it uses or by other third parties with whom it shares 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 its data processing activities, or by increasing its 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 licences and/or the refusal of new applications for licences, 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 Combination, the Combined Group. There can be no assurances that Gamesys, and, following the Combination, 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 its control.

A significant portion of Gamesys' operations are conducted in non-US 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 licences, 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, labour 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 its control, any of which could have a material adverse effect on Gamesys', and, following the Combination, 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 its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Gamesys, and, following the Combination, the Combined Group may also enter into agreements and conduct activities outside of the jurisdictions in which they or the Bally's Group 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 Combination, 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 recognisable 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 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 Combination, 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 Combination, 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 Combination, 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 Combination, the Combined Group.

PART III

BALLY'S DIRECTORS, PROPOSED BALLY'S DIRECTORS, SECRETARY, PRINCIPAL EXECUTIVE OFFICE AND ADVISERS

Directors of the Corporation	Soohyung Kim (<i>Chairman and Independent Director</i>) George T. Papanier (<i>President and Chief Executive Officer</i>) Terrence Downey (<i>Independent Director</i>) Jaymin B. Patel (<i>Independent Director</i>) Jeffrey W. Rollins (<i>Independent Director</i>) Wanda Y. Wilson (<i>Independent Director</i>)
Proposed Bally's Directors	Lee Fenton Robeson Reeves Jim Ryan
Secretary	Craig Eaton (<i>Executive Vice President, General Counsel, and Secretary</i>)
Headquarters and Principal Executive Office	100 Westminster Street, Providence, Rhode Island, 02903
Financial Adviser to the Corporation	Deutsche Bank AG acting through its London Branch and Deutsche Bank Securities, Inc., 1 Great Winchester Street, London, EC2N 2DB.
Legal Adviser to the Corporation as to English and U.S. Law	Jones Day <i>London:</i> 21 Tudor Street, London, EC4Y 0DJ <i>New York:</i> 250 Vesey Street, New York, New York 10281
Auditor to the Corporation	Deloitte & Touche, LLP
Reporting Accountants to the Corporation	Deloitte LLP

PART IV

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND INDICATIVE STATISTICS

The dates and times given in the table below in connection with the Combination are indicative only and are based on Bally's current expectations and may be subject to change (including as a result of changes to Court times, the regulatory timetable and/or the process for implementation of the Combination). In particular, the dates and times for the Court hearing to sanction the Scheme (and accordingly, all subsequent principal events), may be earlier than the dates and times set out below in the event that Bally's receives regulatory clearances earlier than expected.

Expected timetable of principal events

<i>Event</i>	<i>Time/date</i>
Payment of Gamesys Final Dividend.....	16 June 2021 ⁽²⁾
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE Form of Proxy).....	2:00 p.m. on 28 June 2021 ⁽³⁾
Gamesys General Meeting (WHITE Form of Proxy).....	2:15 p.m. on 28 June 2021 ⁽⁴⁾
Scheme Voting Record Time.....	6:30 p.m. on 28 June 2021 ⁽⁵⁾
Bally's Shareholder Meeting.....	2:00p.m. (US Eastern Standard Time) on 30 June 2021
Court Meeting.....	2:00 p.m. on 30 June 2021
Gamesys General Meeting.....	2:15 p.m. on 30 June 2021 ⁽⁶⁾
<i>Certain of the following dates are subject to change (please see Note (1) below):</i>	
Election Return Time (being the latest time for return of Forms of Election/settlement of TTE Elections from CREST holders in respect of the Share Alternative).....	1:00 p.m. on 8 October 2021 ⁽¹⁾⁽⁷⁾
Election Withdrawal Deadline.....	1:00 p.m. on 8 October 2021 ⁽¹⁾⁽⁸⁾
Court Hearing to sanction the Scheme.....	A date expected to be in the fourth quarter of 2021 subject to regulatory clearances ("D") ⁽¹⁾
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Gamesys Shares.....	D ⁽¹⁾
Scheme Record Time.....	6:00 p.m. on D ⁽¹⁾
Suspension of listing of, and dealings in, Gamesys Shares.....	7:30 a.m. on D+1 Business Day ⁽¹⁾
Effective Date.....	D+1 Business Day ⁽¹⁾
De-listing of Gamesys Shares.....	By 8:00 a.m. on D+2 Business Days ⁽¹⁾
New Bally's Shares listed and commencement of dealings in the New Bally's Shares on the New York Stock Exchange.....	By 9:30 a.m. (Eastern Standard Time) on D+2 Business Days ⁽¹⁾
New Bally's Shares registered through DRS.....	D+2 Business Days ⁽¹⁾
Latest date for despatch of statements of entitlement relating to New Bally's Shares held through DRS.....	Within 14 days of the Effective Date ⁽¹⁾
Latest date for despatch of cheques in respect of cash consideration and for settlement of cash consideration through CREST or other form of payment	Within 14 days of the Effective Date ⁽¹⁾
Long Stop Date.....	13 April 2022 ⁽⁸⁾

(1) **The Court Meeting and the Gamesys General Meeting will each be held at 10 Piccadilly, London W1J 0DD.**

These times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and the date on which the Conditions are satisfied or, if capable of waiver, waived. The timetable is also dependent on whether the Court Order sanctioning the Scheme is delivered to the Registrar of Companies. Gamesys will give notice of any change(s) by issuing an announcement through a Regulatory Information Service and, if required by the Panel, post notice of the change(s) to Gamesys Shareholders and persons with information rights.

(2) Payment of the Gamesys Final Dividend is subject to approval by Gamesys Shareholders at the Gamesys AGM.

- (3) It is requested that blue Forms of Proxy for the Court Meeting be lodged before 2:00 p.m. on 28 June 2021 or, if the Court Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting. However, blue Forms of Proxy not so lodged may be emailed to #UKCSBRS.ExternalProxyQueries@computershare.co.uk any time prior to the commencement of the Court Meeting. Please note that any Forms of Proxy sent to this email address before 2:00 p.m. on 28 June 2021 may be discounted as invalid.
- (4) White Forms of Proxy for the Gamesys General Meeting must be lodged before 2:15 p.m. on 28 June 2021 in order for them to be valid or, if the Gamesys General Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting. White Forms of Proxy not so lodged cannot be emailed to Computershare prior to the commencement of the Gamesys General Meeting.
- (5) If either of the Gamesys Shareholder Meetings are adjourned, the Scheme Voting Record Time for the relevant adjourned meeting will be 6:30 p.m. on the date two calendar days before the date set for the adjourned meeting.
- (6) Or as soon thereafter as the Court Meeting has been concluded or adjourned.
- (7) The Form of Election must be lodged and/or any TTE Election must be settled by 1:00 p.m. on the Election Return Time in order for it to be valid. If the Regulatory Conditions have not been satisfied by 11:59 p.m. on 1 October 2021, Bally's or Gamesys will announce through a Regulatory Information Service, an extension to the Election Return Time, which will be the earlier of 1:00 p.m. on the date which is (i) one week after the date on which the Regulatory Conditions are satisfied and (ii) the Business Day immediately before the date of the Court Hearing, or such other date as Bally's and Gamesys may agree. If Gamesys announces through a Regulatory Information Service that the Court Hearing has been scheduled for a date prior to 8 October 2021, the Election Return Time will be the earlier of 1:00 p.m. on the date which is (x) one week before the date of the Court Hearing and (y) the Business Day immediately before the date of the Court Hearing, or such other date as Bally's and Gamesys may agree.
- (8) The Election Withdrawal Deadline will be the later of (i) the Election Return Time; (ii) 1:00 p.m. on the date that is one week before the Court Hearing; or (iii) such other time and date as Bally's and Gamesys may agree.
- (9) This date may be extended to such date as Gamesys and Bally's may, with the consent of the Panel, agree and the Court (if required) may allow.

All references in this document to times are to times in London (unless otherwise stated).

Indicative statistics

Number of Bally's Shares in issue and outstanding as at 28 May 2021 (being the latest practicable date prior to the date of publication of this Prospectus).....	44,544,289
Maximum number of New Bally's Shares that may be issued pursuant to the terms of the Combination ⁽¹⁾	38,419,106
Number of Bally's Shares in issue and outstanding following completion of the Combination ⁽²⁾⁽³⁾	82,963,395
New Bally's Shares as a percentage of the enlarged issued share capital of Bally's after completion of the Combination ⁽³⁾	46.3%

1 There will be no proceeds accruing to Bally's under the Offer.

2 Based on the assumption that the number of Bally's Shares issued and outstanding as at 28 May 2021 will not change prior to completion of the Combination.

3 Assuming the issue of 38,419,106 New Bally's Shares.

PART V

PRESENTATION OF INFORMATION

General

Investors should rely only on the information in this Prospectus and the documents (or parts thereof) incorporated by reference. No person has been authorised to give any information or to make any representations other than the information and representations contained in this Prospectus and the documents (or parts thereof) incorporated by reference, and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Corporation, the Bally's Directors, or the Proposed Bally's Directors. In particular, the contents of Bally's and Gamesys' websites do not form part of this Prospectus and investors should not rely on them.

Without prejudice to any obligation of the Corporation to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4.1 of the Prospectus Regulation Rules and Article 23 of the UK Prospectus Regulation, the delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Corporation or of the Bally's Group, the Gamesys Group or (when applicable) the Combined Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Corporation does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Combination, the Bally's Group, the Gamesys Group or (when applicable) the Combined Group. The Corporation makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

References to the "Corporation" are to Bally's Corporation and references to the "Bally's Group" and to "we," "us" and "our" are to the Corporation together with its consolidated subsidiaries.

The Corporation will update the information provided in this Prospectus by means of a supplement hereto if this Prospectus contains any material mistake or inaccuracy as required by the Prospectus Regulation Rules and the UK Prospectus Regulation. Any supplement to this Prospectus will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules and the UK Prospectus Regulation. The Corporation will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any relevant regulatory authority but assumes no further obligation to publish any additional information. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any investment in or holding of Bally's Shares or any acquisition of New Bally's Shares in accordance with the Scheme.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Corporation or the Bally's Directors or the Proposed Bally's Directors or any of their representatives that any recipient of this Prospectus should agree to acquire the New Bally's Shares in accordance with the Scheme. Prior to making any decision in respect of the Scheme or making any decision in respect of the Offer, persons acquiring the New Bally's Shares should read this Prospectus in its entirety, paying particular attention to Part II ("*Risk Factors*"), and should not just rely on key information or information summarised within it. In making a voting decision or any decision in respect of the Offer, each person acquiring New Bally's Shares must rely upon his or her own examination, analysis and enquiry of the Corporation, the Combination and this Prospectus, including the merits and risks involved.

This Prospectus does not fully set out all risks relating to the combination nor has it been prepared to enable Gamesys Shareholders to make an informed decision in respect of the Combination. This Prospectus must be read in conjunction with the 2.7 Announcement and the Scheme Document.

Persons who acquire New Bally's Shares in accordance with the Scheme will be deemed to have acknowledged that they have relied solely on the information contained in this Prospectus, and that no person has been authorised to give any information or to make any representation concerning the Bally's Group, the Gamesys Group or the New Bally's Shares (other than as contained in this Prospectus) and, if

given or made, any such other information or representation should not be relied upon as having been authorised by the Corporation or the Bally's Directors or the Proposed Bally's Directors.

Presentation of Bally's financial information

The historical consolidated financial information in relation to the Bally's Group in this Prospectus has been extracted without material adjustment from the unaudited condensed consolidated financial information and the audited consolidated financial information referred to in Part XIV ("**Bally's Financial Information**") and has been prepared in accordance with U.S. GAAP. Financial information extracted from the unaudited condensed consolidated financial information and from the audited consolidated financial information referred to in Part XIV ("**Bally's Financial Information**") is to be found in the section headed Part I ("**Summary Information**"), Part VIII ("**Information on Bally's**"), Part XII ("**Bally's Selected Financial Information**") and Part XIII ("**Bally's Operating and Financial Review**"). Gamesys Shareholders and potential investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it.

Presentation of Gamesys financial information

The following documents which Gamesys has filed with the FCA and are available as described below, contain information about Gamesys which is relevant to the Combination:

- Gamesys' Annual Report 2020;
- Gamesys' Annual Report 2019; and
- Gamesys' Annual Report 2018

The Gamesys' Annual Reports listed above contain Gamesys' audited consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018 (each prepared in accordance with IFRS), together with the audit report in respect of each year.

IFRS and U.S. GAAP

Bally's consolidated financial statements are prepared in accordance with U.S. GAAP whereas Gamesys' consolidated financial statements are prepared in accordance with IFRS as adopted by the E.U.

U.S. GAAP differs from IFRS in a number of significant respects. Bally's has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS, and hence has not quantified these differences for Gamesys Shareholders or potential investors. For a discussion of certain differences between IFRS as adopted by the E.U. and U.S. GAAP that are relevant to converting results of Gamesys that are presented in the *Pro Forma* Financial Information, see the footnotes to the *Pro Forma* Financial Information in Part XVII ("**Unaudited Pro Forma** Financial Information of the Combined Group").

In making an investment decision, Gamesys Shareholders and potential investors must rely on their own examination of the Bally's Group, the terms of the Combination and the financial information in this Prospectus. Gamesys Shareholders and potential investors should consult their own professional advisers for an understanding of the differences between IFRS as adopted by the E.U. and U.S. GAAP.

Non-GAAP Financial Measures

The key performance indicator used in managing the Corporation's business is adjusted earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**"), a non-GAAP measure. Adjusted EBITDA is defined as earnings for the Corporation, or where noted the Corporation'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 Corporation's reporting segments, an adjustment related to the allocation of corporate cost among segments.

The Corporation uses Adjusted EBITDA to analyse the performance of its business and it is used as a determining factor for performance based compensation for members of its management team. The Corporation has historically used Adjusted EBITDA when evaluating operating performance because it believes that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide

a full understanding of the Corporation's core operating results and as a means to evaluate period-to-period performance. Also, the Corporation presents Adjusted EBITDA because it is used by some investors and creditors as an indicator of the strength and performance of ongoing business operations, including its 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 Corporation'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 Corporation'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 Corporation's performance. In addition, Adjusted EBITDA as used by the Corporation may not be defined in the same manner as other companies in the Corporation's industry, and, as a result, may not be comparable to similarly titled non-GAAP financial measures of other companies.

Exchange rate information

The Bloomberg Composite Rate is a "best market" calculation. At any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications, while the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate.

The average rate for a year means the average of the closing Bloomberg Composite Rate on each business day during a year. The average rate for a month, or for any shorter period, means the average of the closing Bloomberg Composite Rate of each business day during that month, or during any shorter period, as the case may be.

On 28 May 2021, (being the latest practicable date prior to the publication of this Prospectus), the U.S. dollar per pound sterling exchange rate was \$1.4188 per £1.

The table below sets forth the period end, average, high and low Bloomberg Composite Rate for U.S. dollars, expressed in U.S. dollars per £1.00, for the periods indicated. These translations should not be construed as a representation that the U.S. dollar amounts actually represent, or could be converted into, pound sterling at the rates indicated.

	<u>Period-end rate</u>	<u>Average rate</u>	<u>High</u>	<u>Low</u>
Recent monthly data				
May 2021 (through 28 May).....	1.4188	1.4082	1.4207	1.3887
April 2021	1.3737	1.3843	1.3986	1.3707
March 2021	1.3824	1.3861	1.3991	1.3686
February 2021	1.3647	1.3868	1.4141	1.3647
January 2021	1.3608	1.3644	1.3736	1.3518
December 2020	1.3355	1.3453	1.3670	1.3224
November 2020	1.3148	1.3216	1.3380	1.2917
Annual data (year ended 31 December)				
2020	1.3355	1.2840	1.3670	1.1485
2019	1.3140	1.2768	1.3338	1.2033
2018	1.2781	1.3350	1.4339	1.2487
2017	1.3393	1.2889	1.3594	1.2047
2016	1.2626	1.3554	1.4877	1.2123

Rounding

Certain figures contained in this Prospectus or incorporated by reference, including financial, statistical and operating information, have been subject to rounding adjustments for ease of presentation. Accordingly, in

certain instances, the figure shown as totals in a column or a row in tables contained in this Prospectus or incorporated by reference may not be the precise sum of the figures given for that column or row.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to:

“pound sterling” “sterling” “British pounds” “pounds” “£” “pence” or “p” are to the lawful currency of the United Kingdom; and

“U.S. dollars” “dollars” “U.S.\$” “\$” or “cents” are to the lawful currency of the United States.

Forward-looking statements

This document (including information incorporated by reference into this document), oral statements made regarding the Combination, and other information published by Bally’s contains certain forward-looking statements, beliefs or opinions with respect to the financial condition, results of operations and business of Bally’s and Gamesys. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements may often, but not always, be identified by the use of forward-looking terms such as “may,” “will,” “expects,” “believes,” “hopes,” “anticipates,” “aims,” “plans,” “estimates,” “projects,” “targets,” “intends,” “forecasts,” “outlook,” “impact,” “potential,” “confidence,” “improve,” “continue,” “optimistic,” “deliver,” “comfortable,” “trend,” “seeks,” or variations of such words or statements that certain actions, events or results “could,” “should,” “would” or “might” be taken, occur or be achieved or the negative of such terms or other variations on such terms or comparable terminology.

Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Bally’s in light of its experience and its perception of historical trends, current conditions, future developments and other factors that they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements are unknown.

Although it is believed that the expectations reflected in such forward-looking statements were reasonable at the time the statements were made, no assurance is given by Bally’s that such expectations or the assumptions and assessments underlying them will prove to have been correct and the circumstances may change. You are therefore cautioned not to place undue reliance on these forward-looking statements. Bally’s does not assume any obligation, and Bally’s disclaims any intention or obligation, to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation, including the Prospectus Regulation Rules and the UK Prospectus Regulation.

Except as expressly provided in this document, the forward-looking statements have not been reviewed by the auditors of Bally’s or Gamesys or their respective financial advisers. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements is (1) the satisfaction of the Conditions, (2) any regulatory approvals required for the Combination not being obtained on the terms expected or on the anticipated schedule, (3) the ability of Bally’s and Gamesys to meet expectations regarding the timing, completion and accounting and tax treatments of the Combination, (4) the possibility that Bally’s and Gamesys may be unable to achieve any expected synergies and operating efficiencies in connection with the Combination within the expected time frames or at all and to successfully integrate the Gamesys’ operations into those of Bally’s, (5) uncertainties surrounding the COVID 19 pandemic, including limitations on Bally’s operations, increased costs, changes in customer attitudes, impact on its employees and the ongoing impact of COVID 19 on general economic conditions, (6) unexpected costs, difficulties integrating and other events impacting Bally’s recently completed and proposed acquisitions and its ability to realize anticipated benefits, (7) risks associated with Bally’s rapid growth, including those affecting customer and employee retention, integration and controls, (8) risks associated with the impact of the digitalization of gaming on casino operations and the highly competitive and rapidly changing aspects of iGaming and sports betting businesses generally, and (9) the very substantial regulatory restrictions including costs of compliance; restrictions and limitations in agreements to which Bally’s and Gamesys are subject,

including debt financing, could significantly affect Bally's ability to operate its business and its liquidity. Such forward looking statements should therefore be construed in the light of such factors. Neither Bally's nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

Explanatory wording in this Prospectus which refers to forward-looking statements does not qualify the working capital statement given in paragraph 17 ("*Working capital*") of Part XX ("*Additional Information*").

No profit forecasts or estimates

No statement in this document is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Gamesys or Bally's for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Gamesys or Bally's, respectively.

Market, economic and industry data

This Prospectus contains information regarding the Bally's Group's, the Gamesys Group's and, following completion of the Combination, the Combined Group's, businesses and the industries in which they operate and compete, some of which the Corporation has obtained from various third-party sources. Where information contained in this Prospectus originates from a third-party source, it is identified where it appears in this Prospectus together with the name of its source.

Where information has been sourced from a third party it has been accurately reproduced and, as far as the Corporation is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of Bally's website, Gamesys' website, any website mentioned in this Prospectus or any other website directly or indirectly accessible from hyperlinks on these websites have not been verified and are not incorporated into, or form part of, this Prospectus and investors should not rely on such information.

Publication on websites and availability of hard copies

A copy of this document and the documents required to be published by Rule 26 of the Takeover Code are available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Gamesys' website at <https://www.gamesysgroup.com/investors/offer-for-gamesys/> and on Bally's website at <https://www.ballys.com/gamesysdocumentation/>. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this document.

You may request a hard copy of this document (and any information incorporated into it by reference to another source) by contacting Gamesys' registrars, Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6AH or between 8:30 a.m. and 5:30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) on 0370 889 4098 (or +44 (0)370 889 4098 if calling from outside of the UK). Calls to this number are charged at national rates or, in the case of calls from outside the UK, at the applicable international rate. Calls from a mobile device may incur network extras. Calls may be recorded and randomly monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Combination should be in hard copy form. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Definitions

Certain terms used in this Prospectus, including capitalised terms and certain technical and other items, are defined and explained in Part XXI ("*Definitions*").

All times referred to in this Prospectus are, unless otherwise stated, references to London time.

All references to legislation in this Prospectus are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the masculine gender shall include the feminine or neutral gender.

Distribution restrictions

The release, publication or distribution of this Prospectus and any other Offer-related documentation in jurisdictions other than the United Kingdom and the United States may be affected by the laws and regulations of relevant jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom and the United States, or Gamesys Shareholders who are not resident in such jurisdictions, should inform themselves of and observe any applicable requirements.

Overseas Shareholders and Significant Gamesys Shareholders

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and/or regulations. Persons who are not resident in the United Kingdom or who are subject to the laws and regulations of other jurisdictions should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation to purchase or subscribe for any securities, or a solicitation of an offer to buy any securities, pursuant to the document or otherwise, in any jurisdiction in which such offer or solicitation is unlawful. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bally's or required by the Takeover Code, and permitted by applicable law and regulation, the Combination will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Combination by any such use of the mails of or any other means, instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or securities exchange of or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from such jurisdictions where to do so would violate the laws in those jurisdictions. If the Combination is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), such Takeover Offer may not be made available directly or indirectly, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction.

The availability of the Cash Offer and the Share Alternative to Gamesys Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Scheme Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

The availability of the Offer and Share Alternative will be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of a Scheme Shareholder, Bally's is advised or believes that the issue and/or delivery of New Bally's Shares pursuant to clause 3.2 of Part 10 (*The Scheme of Arrangement*) of the Scheme Document would or may infringe the laws of the jurisdiction in which such Scheme Shareholder is a citizen, national or is resident or may result in a significant risk of civil, regulatory or criminal exposure; and/or (ii) would or may require Bally's to comply with any governmental or other consent or any registration, filing or other formality with which Bally's is unable to comply or compliance with which Bally's regards as unduly onerous, Bally's may in either case require Gamesys to treat such Scheme Shareholder as a Restricted Shareholder for the purposes of this Scheme so that either:

- such Scheme Shareholder is not sent a Form of Election or is denied access to any platform required to effect an Electronic Election; or

- in the case of such Scheme Shareholder who has sought to make a Share Alternative Election, such Scheme Shareholder is deemed not to have made a valid Share Alternative Election, with the result that no New Bally's Shares will be issued to such Scheme Shareholder under clause 3.2 of Part 10 (*The Scheme of Arrangement*) of the Scheme Document and so that such Scheme Shareholder will instead receive cash consideration in accordance with clause 2 of Part 10 (*The Scheme of Arrangement*) of the Scheme Document.

Bally's Certificate of Incorporation and Bylaws provide that Bally's may not permit any person or entities to acquire a direct or indirect equity or economic interest in it equal to or greater than 5 per cent. of any class of equity or economic interests without the approval of the relevant gaming authorities (subject to certain specified exceptions). Any transfer or acquisition of Bally's Shares that results in a person acquiring more than such 5 per cent. threshold will not be recognised until the relevant gaming authorities have approved such transfer or acquisition. Bally's Certificate of Incorporation also provides that an additional licence or consent from the gaming authorities is required for ownership equal to or greater than 20 per cent. of any class of Bally's equity interests. In addition, Bally's Bylaws also include limitations and restrictions on ownership of common stock relating to regulatory requirements and licences, including restrictions on transfers and acquisitions that would violate applicable gaming laws and repurchase rights in the event that stockholders are determined to be unsuitable to hold Bally's Shares. Bally's Bylaws impose additional restrictions to ensure compliance with relevant gaming and regulatory requirements including its ability to withhold dividend payments and redeem or purchase a holder's common stock if a gaming authority or the Bally's Board determines the holder to be an "unsuitable person" as defined in certain gaming laws. Finally, Bally's Bylaws incorporate by reference certain provisions of relevant state gaming laws.

Accordingly, Bally's reserves the right to do any or a combination of the following: (a)(i) establish a trust to hold any New Bally's Shares otherwise issuable to a Scheme Shareholder pursuant to the Scheme (a "**Relevant Scheme Shareholder**"), which, when taken together with any Bally's Shares already held by or on behalf of or beneficially owned by such Scheme Shareholder upon or following the Scheme becoming Effective, would result in that Scheme Shareholder holding in excess of 4.99 per cent. of the number of outstanding Bally's Shares calculated on a pro forma basis after issuance of all New Bally's Shares issuable to Scheme Shareholders pursuant to the Scheme ("**Excess Shares**") for the benefit of the Relevant Scheme Shareholder until such time as requisite regulatory approvals have been obtained or the Relevant Scheme Shareholder requests the transfer of such Excess Shares to an unaffiliated purchaser or holder (or to the Relevant Scheme Shareholder to the extent that such person has reduced its holding below 4.99 per cent. of the number of Bally's Shares then outstanding); or (ii) implement another arrangement under its Certificate of Incorporation or Bylaws reasonably designed to assure regulatory compliance. Such trusts or other arrangements will be on such terms as Bally's (with the agreement of Gamesys, not to be unreasonably withheld, conditioned or delayed and acting in good faith) may require and will not prejudice the UK tax treatment of Gamesys Shareholders under the Scheme; (b) require the Relevant Scheme Shareholder to enter into a contract with Bally's under which it will agree to such undertakings and restrictions as Bally's (with the agreement of Gamesys, not to be unreasonably withheld, conditioned or delayed and acting in good faith) may require, including with respect to the release and voting of Excess Shares and distributions payable in respect thereof, in order to comply with applicable legal and regulatory requirements and authorisations and the provisions of Bally's Certificate of Incorporation and Bylaws. Bally's reserves the right, in any such contract to indemnify any Relevant Scheme Shareholder for losses it may suffer or costs it may incur in connection with or as a consequence of any such trust arrangement or entering into any such contract. Bally's will make an announcement via a Regulatory Information Service if any such trusts or agreements are established or entered into; and (c) require evidence of compliance with applicable regulatory requirements and that any Relevant Scheme Shareholder or any person to whom a Relevant Scheme Shareholder requests the transfer of Excess Shares warrants to Bally's that it holds the Bally's Shares issuable to it solely for investment and not with a view to influencing the management or control of Bally's.

Neither Bally's or Gamesys will be liable to any Scheme Shareholder in respect of any omission or denial, any determination or any any action taken pursuant to clauses 5.2a), 5.2b) or, as the case may be, 5.3 of Part 10 (*The Scheme of Arrangement*) of the Scheme Document.

Part 5 (*Notes for Making Elections under the Share Alternative*) of the Scheme Document contains important information for Scheme Shareholders that validly elect for the Share Alternative and, upon or following the Scheme becoming Effective, might come to hold in excess of 4.99 per cent. of the number of outstanding Bally's Shares calculated on a pro forma basis after issuance of all New Bally's Shares issuable to Scheme Shareholders pursuant to the Scheme.

Notice to holders of Gamesys Shares in the United States

This Prospectus does not constitute an offer of securities for sale in the United States or an offer to acquire or exchange securities in the United States. The New Bally's Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States. The New Bally's Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the Securities Act or an exemption therefrom.

The New Bally's Shares are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. The New Bally's Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and persons who receive securities under the Scheme (other than "affiliates" as described in the paragraph below) may generally resell them without restriction under the Securities Act.

Under U.S. federal securities laws, persons who are or will be deemed to be affiliates (as defined under the Securities Act) of the Purchaser after the Effective Date may not resell the New Bally's Shares received under the Scheme without registration under the Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Additionally, Gamesys Shareholders (whether or not U.S. persons) who are or will be affiliates of Bally's or Gamesys prior to, or of Bally's after, the Effective Date may be subject to similar restrictions relating to the New Bally's Shares received pursuant to the Combination. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders.

Persons who may be deemed to be affiliates of Bally's include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with, Bally's and may include certain officers and directors of Bally's and Bally's principal shareholders (such as, for example, a holder of more than 10% of the outstanding capital stock). Gamesys Shareholders who are affiliates of Gamesys, Bally's or the Purchaser, in addition to reselling their New Bally's Shares in the manner permitted by Rule 144 under the Securities Act, may also sell their New Bally's Shares under any other available exemption under the Securities Act, including Regulation S under the Securities Act. Gamesys Shareholders who believe they may be affiliates of Bally's, Premier Entertainment, or Gamesys for the purposes of the Securities Act should consult their own legal advisers prior to any sale of New Bally's Shares received pursuant to the Combination.

For the purposes of qualifying for the exemption from the registration requirements of the Securities Act afforded by Section 3(a)(10), Gamesys will advise the Court through counsel that its sanctioning of the Scheme will be relied upon by Gamesys and the Purchaser as an approval of the Scheme following a hearing on its fairness, at which hearing all Gamesys Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Gamesys Shareholders. In light of the ongoing COVID-19 pandemic, the Court hearing is likely to be conducted via Skype or other electronic means. If you are interested in attending the Court hearing via Skype or other electronic means, as applicable, you are directed to the Business and Property Courts Rolls Building Cause List at justice.gov.uk for details of how to do so.

The Combination is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), although Bally's is required under the rules of the New York Stock Exchange to obtain approval of its shareholders for issuance of the New Bally's Shares to Gamesys Shareholders and will be subject to U.S. proxy solicitation requirements with respect thereto. The Combination is subject to U.K. disclosure requirements, which are different in some respects from U.S. disclosure requirements applicable to similar transactions. Certain financial information included in this Prospectus has been or will be prepared in accordance with accounting standards applicable in the U.K. and may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the U.S. However, if Bally's were to elect to implement the Combination by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable laws and regulations. Such a Takeover Offer would be made in the United States by Bally's and no one else. In accordance with normal U.K. practice and pursuant to Rule 14e-5(b) of the Exchange Act, in addition to any such Takeover Offer, Bally's or its affiliates or nominees, or its or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Gamesys Shares outside the United States, outside the Takeover Offer during the period in which the Takeover Offer remains

open for acceptance, and until the date on which the Combination and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to the Regulatory News Service of the London Stock Exchange (“RNS”) and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.

Gamesys Shareholders who are citizens or residents of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme or, if Bally’s decides to implement the Combination by way of a Takeover Offer, the Takeover Offer, in their particular circumstances.

None of the securities referred to in this Prospectus have been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Notice to holders of Gamesys Shares in the European Economic Area

In relation to each member state of the EEA (a “**Relevant State**”), no New Bally’s Shares have been offered or will be offered pursuant to the Offer in that Relevant State prior to the publication of a prospectus in relation to the New Bally’s Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in the Relevant State, all in accordance with the Prospectus Regulation, except that offers of New Bally’s Shares may be made in that relevant member state at any time:

- i. to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- ii. to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation); or
- iii. in any other circumstances which do not require the publication by Bally’s of a prospectus pursuant to Article 3 of the EU Prospectus Regulation,

provided that no such offer of New Bally’s Shares results in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation and each person who initially acquires any New Bally’s Shares or to whom any offer is made under the Offer on the basis of (i) above will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2 of the EU Prospectus Regulation.

In the case of any New Bally’s Shares being offered to a financial intermediary, as that term is used in Article 5 of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Bally’s Shares subscribed for or acquired by it in the Offer have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their resale to persons in circumstances which may give rise to an offer of New Bally’s Shares to the public in any Relevant State.

Notice to holders of Gamesys Shares in Switzerland

This Prospectus is not intended to constitute an offer or solicitation to acquire or invest in the New Bally’s Shares. The New Bally’s Shares 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 New Bally’s Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other material relating to the New Bally’s Shares or the Combination constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other material relating to the New Bally’s Shares or the Combination may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to holders of Gamesys Shares in Canada (British Columbia, Alberta, Manitoba, Ontario, and Quebec)

The New Bally’s Shares may be offered to persons acquiring, or deemed to be acquiring, 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 that are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the New

Bally's Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Gamesys Scheme Shareholders resident in Canada are advised to seek legal advice prior to any resale of the New Bally's Shares issued in connection with the Combination.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limits prescribed under, and subject to limitations and defences under, 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 these rights or consult with a legal adviser.

Upon receipt of this Prospectus, each Canadian recipient hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Bally's Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce prospectus, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes.*

Notice to holders of Gamesys Shares in Hong Kong

The New Bally's Shares have not been offered and will not be offered in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong 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. No advertisement, invitation or document relating to the New Bally's Shares has been issued or will be issued, or had been or will be in the possession of any person for the purposes of issue, in each case, whether in Hong Kong or elsewhere, 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 New Bally's Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

The information and document are strictly confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person or used for any purpose in Hong Kong.

The contents of this document 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 document, you should obtain independent professional advice.

If the recipient (or any person for whom the recipient is acquiring the New Bally's Shares) is in Hong Kong, the recipient (and any such person) represents, warrants, and agrees that it is a "professional investor" within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made under that ordinance.

By receiving, accepting or accessing the document, the recipient warrants and represents that it is not restricted or prohibited under, and it has complied with, relevant laws, rules and regulations applicable to it and the jurisdiction(s) that it or its assets are located.

Notice to holders of Gamesys Shares in Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Bally's Shares may not be circulated or distributed, nor may the New Bally's Shares 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 (a) to an institutional investor under Section 274 of Securities and Futures Act, Chapter 289 of Singapore (the "SFA"); (b) 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 (c) otherwise than pursuant to, and in accordance with the conditions of, an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Where the New Bally's Shares are subscribed or purchased pursuant to an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA, the subscriber or purchaser is subject to restrictions on transferability and resale. The New Bally's Shares may not be transferred or resold in Singapore, except as permitted under the SFA.

Where the New Bally's Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 in accordance with the Securities and Futures (Classes of Investors) Regulations 2018 or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor in accordance with the Securities and Futures (Classes of Investors) Regulations 2018, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Bally's Shares under Section 275 of the SFA except: (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA in accordance with the Securities and Futures (Classes of Investors) Regulations 2018; (b) where no consideration is or will be given for the transfer; (c) where the transfer is by operation of law; (d) as specified in Section 276(7) of the SFA; or (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivative Contracts) Regulations 2018 of Singapore.

Notice to holders of Gamesys Shares in the United Arab Emirates

This Prospectus has not been reviewed, approved or licenced by or registered with the Central Bank of the United Arab Emirates (the "**Central Bank**"), the Emirates Securities And Commodities Authority (the "**SCA**") or any other licensing authority in the United Arab Emirates (the "**UAE**", which includes each of the free zones established and operating in the UAE such as the Dubai International Financial Centre (the "**DIFC**") and the Abu Dhabi Global Market (the "**ADGM**")), including the Dubai Financial Services Authority (the "**DFSA**"), a regulatory authority of the DIFC, or the Financial Services Regulatory Authority (the "**FSRA**"), a regulatory authority of the ADGM.

This Prospectus is not intended to and does not constitute an offer, sale or delivery of securities in the UAE and the New Bally's Shares may not be offered directly or indirectly in the UAE. This Prospectus does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law (Federal Law No. 2 of 2015) (as amended) or otherwise and further does not constitute an offer or promotion in the UAE in accordance with SCA board of directors decision No. 3 (/R.M.) of 2017 Concerning the Organization of Promotion and Introduction (as amended) (whether by a foreign issuer, as defined therein, or otherwise).

No marketing of the New Bally's Shares has been, or will be, made from within the UAE and no marketing of the New Bally's Shares has been, or will be, made to the UAE or any person within it and no subscription for any securities may be consummated within the UAE.

This Prospectus may not be distributed to or within and no marketing of the New Bally's Shares has been or will be made to or within the ADGM or the DIFC or to any person within them. No offer or invitation to subscribe for New Bally's Shares is valid or permitted from any person in the ADGM or the DIFC.

This Prospectus is not intended to constitute a financial promotion, an offer, sale or delivery of securities under the DIFC Markets Law (DIFC Law No. 1 of 2012, as amended) (the "**Markets Law**") or under the Markets Rules of the DFSA (the "**Markets Rules**") or any other laws and regulations of the DIFC. This Prospectus and the issue or transfer of any securities related to it have not been approved or licenced by the DFSA, and do not constitute an offer of securities in the DIFC in accordance with the Markets Law or the Markets Rules or any other laws and regulations of the DIFC.

This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of securities under the ADGM's Financial Services and Markets Regulations 2015 (as amended) (the "**Markets Regulations**") or under the Markets Rules (the "**ADGM Markets Rules**") of the FSRA or any other laws and regulations of the ADGM. This Prospectus and the issue or transfer of any securities related to it have not been approved or licenced by the FSRA, and do not constitute an offer of securities in the ADGM in accordance with the Markets Regulations or the ADGM Markets Rules or any other laws and regulations of the ADGM.

Notice to holders of Gamesys Shares in Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement or bidders statement under the Corporations Act 2001 of the Commonwealth of Australia (the “**Corporations Act**”); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (“**ASIC**”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia.

In Australia, it is provided in reliance on ASIC Corporations (Foreign Scrip Bids) Instrument 2015/357 (ASIC Instrument) only to eligible Gamesys Shareholders who are Australian residents within the meaning of that ASIC Instrument (“**Exempt Person**”), and may not be provided or distributed to any other person, and any offer that it contains is not capable of acceptance in Australia by any other person.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the New Bally’s Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any New Bally’s Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act (including pursuant to the ASIC Instrument) or is otherwise in compliance with all applicable Australian laws and regulations. Each Gamesys Shareholder who elects to subscribe for any New Bally’s Shares represents and warrants to the Corporation and each of its affiliates that such Gamesys Shareholder is an Australian Resident for the purposes of the ASIC Instrument or is otherwise an Exempt Person.

As any offer of New Bally’s Shares under this Prospectus, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those New Bally’s Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act or the ASIC Instrument applies to that resale. By applying for the New Bally’s Shares each Gamesys Shareholder that elects to subscribe for any New Bally’s Shares undertakes to the Corporation and its affiliates that such Gamesys Shareholder will not, for a period of 12 months from the date of issue or purchase of the New Bally’s Shares, offer, transfer, assign or otherwise alienate any interest in those New Bally’s Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or under the ASIC Instrument or where a compliant disclosure document is prepared and lodged with ASIC.

The information contained in this Prospectus is general and is not intended to constitute personal financial product advice. It does not consider or take account of any Gamesys Shareholder’s individual financial situation, objectives or needs. Each Gamesys Shareholder should consider the appropriateness of the information in the Prospectus in light of their own financial situation, objectives and needs and, if in any doubt, seek professional advice before making a decision.

Notice on enforceability of judgments

Bally’s is organised under and governed by the law of Delaware and the United States of America. With the exception of Lee Fenton and Robeson Reeves, Jim Ryan and all of the Bally’s Directors and officers of Bally’s presently reside outside the United Kingdom. Substantially all or a significant portion of the assets of such persons and a significant portion of the assets of the Bally’s Group are presently located outside the United Kingdom. As such, it may be difficult or impossible to effect service of process within the United Kingdom upon those persons or to recover on judgments of United Kingdom courts against Bally’s or such directors and officers. Although Bally’s will appoint an agent for service of process in the United Kingdom and will submit to the jurisdiction of the courts of the United Kingdom, it may not be possible for investors to effect service of process on Bally’s or on such persons within the United Kingdom in any action.

If a judgment is obtained in a United Kingdom court against Bally’s, an investor will need to enforce such judgment in jurisdictions in which Bally’s has assets, which may not be such investor’s jurisdiction of domicile. There is no certainty as to whether a final judgment from the courts of the United Kingdom will be enforceable in the United States.

PART VI

DOCUMENTS INCORPORATED BY REFERENCE

The tables below set out the documents (or parts thereof) that are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Regulation Rules and the UK Prospectus Regulation, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

Gamesys financial information

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document`
Independent Auditor's report to the members of Gamesys Group PLC.....	Gamesys' Annual Report 2020	119-125
Consolidated statements of comprehensive income for the year ended 31 December 2020	Gamesys' Annual Report 2020	128
Consolidated balance sheets as at 31 December 2020	Gamesys' Annual Report 2020	129
Consolidated statements of changes in equity for the year ended 31 December 2020	Gamesys' Annual Report 2020	130
Consolidated statements of cash flow for the year ended 31 December 2020.	Gamesys' Annual Report 2020	131
Parent Corporation balance sheet for the year ended 31 December 2020	Gamesys' Annual Report 2020	132
Parent Corporation Statements of Changes in Equity for the year ended 31 December 2020	Gamesys' Annual Report 2020	133
Parent Corporation Statement of Cash Flows	Gamesys' Annual Report 2020	134
Notes to the consolidated financial statements for the year ended 31 December 2020	Gamesys' Annual Report 2020	135-169

For the financial year ended 31 December 2019

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor's report to the members of Gamesys Group PLC.....	Gamesys' Annual Report 2019	97-101
Consolidated statements of comprehensive income for the year ended 31 December 2019	Gamesys' Annual Report 2019	102
Consolidated balance sheets as at 31 December 2019.....	Gamesys' Annual Report 2019	103
Consolidated statements of changes in equity for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	104
Consolidated statement of cash flows for the year ended 31 December 2019.	Gamesys' Annual Report 2019	105
Parent Corporation balance sheets for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	106
Parent Corporation statements of changes in equity for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	107
Parent Corporation statements of cash flows for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	108
Notes to the consolidated financial statements for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	109-137

For the financial year ended 31 December 2018

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor's report to the members of Gamesys Group PLC.....	Gamesys' Annual Report 2018	78-82
Consolidated statements of comprehensive income for the year ended 31 December 2018	Gamesys' Annual Report 2018	83
Consolidated balance sheet as at 31 December 2018.....	Gamesys' Annual Report 2018	84
Consolidated statements of changes in equity for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	85
Consolidated statements of cash flows for the year ended 31 December 2018.	Gamesys' Annual Report 2018	86
Parent Corporation balance sheets for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	87
Parent Corporation statements of changes in equity for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	88
Parent Corporation statements of cash flows for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	89
Notes to the consolidated financial statements for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	90-117

Availability of information

Copies of the documents of which all or part are incorporated by reference herein, have been filed with the FCA and are available for inspection as provided in paragraph 22 ("**Documents available for inspection**") of Part XX ("**Additional Information**").

Copies of each of the documents under the heading "Gamesys Information" above are available on Gamesys' website (www.Gamesys.com).

Neither the content of Gamesys' website, nor the content of any other website including any other website accessible from hyperlinks on Gamesys' website, is incorporated into, or forms part of, this Prospectus.

paid (converted to pounds sterling and rounded down to the nearest penny) in lieu of such fractional entitlements to the Scheme Shareholders entitled thereto, save that if the entitlement of any Gamesys Shareholder in respect of the proceeds of sale of fractional entitlements amounts to less than £5, such proceeds will be retained for the benefit of the Combined Group.

The Share Alternative is conditional upon the Combination becoming effective in accordance with its terms and will not be available to Overseas Shareholders in Restricted Jurisdictions.

The New Bally's Shares will be issued pursuant to the exemption from registration provided by Section 3(a)(10) under the US Securities Act. If, in the future, Bally's or Premier Entertainment elects (with the consent of the Panel, if required, and subject to the terms of the Cooperation Agreement) to implement the Combination by way of a Takeover Offer or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act, it will file a registration statement with the SEC that will contain a prospectus with respect to the issuance of New Bally's Shares under the US Securities Act and (with the consent of the Panel if required) will make appropriate additions and amendments to the Conditions to reflect any additional related requirements. In this event, Bally's Shareholders are urged to read those documents and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. Such documents will be available free of charge at the SEC's website at www.sec.gov or by directing a request to Bally's contact for enquiries: Steve Capp, Executive Vice President and Chief Financial Officer on +1 401 475 8564.

Neither the SEC nor any other state securities commission has approved or disapproved of the New Bally's Shares to be issued in connection with the Combination, or determined if the Scheme Document is accurate or complete. Any representation to the contrary is unlawful.

Scheme Shareholders (other than Restricted Shareholders) should consider whether New Bally's Shares are a suitable investment in light of their own personal circumstances and are, therefore, strongly advised to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Share Alternative.

You will find a further explanation on how to elect (including if you hold your Gamesys Shares in uncertificated form, that is, in CREST, and wish to make an Electronic Election) for the Share Alternative in Part 5 (*Notes for Making Elections under the Share Alternative*) of the Scheme Document.

In order for a Gamesys Shareholder to be entitled to elect for the Share Alternative, they must be entered into the register of members of Gamesys prior to the Election Return Time. Upon execution and delivery by a Scheme Shareholder of a valid Form of Election or the making of a valid Electronic Election, such Scheme Shareholder will be bound by the terms and provisions contained in the Form of Election or the Electronic Election (as the case may be) and by the terms and provisions contained in Part 5 of the Scheme Document (*Notes for Making Elections under the Share Alternative*).

4. Dividends

The Gamesys Board has proposed the Gamesys Final Dividend for approval by Gamesys Shareholders at the Gamesys AGM. If the Effective Date occurs before the date of the Gamesys AGM, the Gamesys Board reserves the right instead to declare the Gamesys Final Dividend as the First Gamesys Interim Dividend.

In addition, if the Combination has not completed before the ex-dividend date of 9 September 2021 the Gamesys Board reserves the right to declare the Second Gamesys Interim Dividend.

Based on Gamesys' issued share capital as at the Latest Practicable Date:

- the Gamesys Final Dividend, or if declared, the First Gamesys Interim Dividend, would equate to a dividend of 28 pence per Gamesys Share; and
- the Second Gamesys Interim Dividend, if declared, would equate to a dividend of up to 15 pence per Gamesys Share.

If Gamesys' issued share capital changes between the Announcement Date and the record date for the relevant dividend, the amount of the relevant dividend per Gamesys Share might be different from the amounts set out above.

The Bally's Board and the Gamesys Board have agreed that Gamesys Shareholders will be entitled to receive the Agreed Dividends, if and to the extent declared in accordance with the terms set out in the Scheme Document, in each case without any reduction to the Consideration payable by Bally's and Premier Entertainment under the terms of the Combination.

The First Gamesys Interim Dividend, if declared, would be declared and paid in place of the Gamesys Final Dividend. Consequently, Gamesys Shareholders would not receive both the Gamesys Final Dividend and the First Gamesys Interim Dividend. In addition, if the Combination becomes effective before the ex-dividend date of 9 September 2021, the Second Gamesys Interim Dividend would not be declared and Gamesys Shareholders would not be entitled to receive it.

If, on or after the Announcement Date and on or before the Effective Date, any dividend, distribution or other return of capital or value is declared, made or paid or becomes payable in respect of Gamesys Shares, save for the Agreed Dividends or in excess of the Agreed Dividends, Bally's and Premier Entertainment reserve the right to reduce the Consideration accordingly. In such circumstances, Gamesys Shareholders would be entitled to retain any such dividend, distribution or other return of capital or value declared, made or paid.

5. Background to and reasons for the Combination

Bally's believes that the online gambling and sports betting sector in the US continues to exhibit many characteristics that are structurally attractive with a steep anticipated growth trajectory as favourable regulatory progress throughout the US leads to the opening of new sports betting and iGaming markets. This opportunity is reflected in industry analysts estimating a potential total addressable market size in excess of US\$45 billion. Bally's believes that having a combination of both proven, developed technology and land-based platforms across key US states, with global brands, existing customer bases and complementary product offerings will be key to taking advantage of these growth opportunities. The following factors have also been taken into consideration by Bally's in connection with the Combination:

- Bally's believes that the Combination represents a compelling strategic and financial opportunity to improve the offering and experience for customers;
- the Combination would accelerate Bally's long-term growth strategy, the objective of which is to become the premier, truly integrated, omni-channel US gaming company with a B2B2C business;
- Gamesys' existing platform would benefit from Bally's fast-growing land-based and online platform in the US, providing market access through Bally's operations in key states as the nascent iGaming and sports betting opportunity develops at this pivotal moment in the market's evolution;
- Bally's would benefit from Gamesys' proven technology platform, expertise and highly respected and experienced management team. These offerings, integrated with Bally's online sports betting platform via Bally's recent Bet.Works acquisition and the transformational media partnership with Sinclair Broadcast Group, would place the Combined Group in a strong position to capitalise on the quickly developing US online market;
- the Combination would create one of the broadest portfolios in market of omni-channel cross-sell opportunities with land-based gaming, online sports betting, iCasino, poker, bingo, daily fantasy sports and free-to-play games;
- the Combination would create significant value for Bally's by bringing in house a technology platform to further build out iGaming offerings and create a unified player development database;
- the Combined Group is expected to be highly cash flow generative, enabling it to pursue growth opportunities through reinvestment and strategic M&A. The greater number of registered accounts and monthly active customers that would result from the Combination, together with a more diversified player community and an enhanced customer database, will, in Bally's view, create opportunities to increase growth and profitability; and
- the Combined Group will be committed to responsible gaming and industry leadership in environmental, social and corporate governance efforts, including targeting carbon neutrality and good corporate governance.

6. Recommendation by the Gamesys Directors

The Gamesys Directors, who have been so advised by Macquarie Capital as to the financial terms of the Cash Offer, unanimously consider the terms of the Cash Offer to be fair and reasonable. Accordingly, the Gamesys Directors unanimously recommend that Gamesys Shareholders vote in favour of the Special Resolution to be proposed at the Gamesys Shareholder Meetings as those Gamesys Directors who hold Gamesys Shares have irrevocably undertaken to do (or procure to be done) in respect of their beneficial holdings and those of their connected persons amounting in aggregate to 2,825,711 Gamesys Shares, representing 2.6 per cent of Gamesys' issued ordinary share capital on the Latest Practicable Date.

The Electing Gamesys Directors and a related trust of Keith Laslop have also irrevocably undertaken to elect for the Share Alternative in respect of their entire (or, in respect of the related trust of Keith Laslop, part of its) beneficial holdings of Gamesys Shares amounting, in aggregate, to 1,783,276 Gamesys Shares (representing 1.6 per cent of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date). All of these undertakings remain binding even in the event of a higher competing offer.

7. Background to and reasons for the recommendation by the Gamesys Directors

Gamesys is a leading online gaming operator, having created a strong market position in online casino and online bingo through its focus on customer experience, technology, content and operations. Following the combination of JPJ Group plc and Gamesys in September 2019, Gamesys has become a leading operator in the UK and Japan.

Gamesys expects the United States to become the world's largest regulated online gaming market over the next several years, and it has been pursuing several strategies to position itself to be a leader in this fast-growing market. These initiatives led to discussions with Bally's about potential commercial partnerships.

These initial discussions developed into exploring a more comprehensive transaction regarding a strategic combination of the two groups which commenced in December 2020. On 26 January 2021, Bally's made a non-binding proposal relating to a combination with Gamesys.

The Gamesys Directors, together with Gamesys' financial adviser, Macquarie Capital, have considered the proposed Combination with regard to price, structure, deliverability and with reference to the range of strategic options available to Gamesys.

While the Gamesys Directors believe that Gamesys would have a strong future as an independent listed company, they acknowledge the benefits of the Combination, including:

- immediate market access to 11 US states for online gaming and sports betting;
- the creation of a US omni-channel gaming business, which may reduce the cost of customer acquisition through Bally's customer database of approximately 15 million members;
- a strong US gaming brand in Bally's, which has been enhanced through its partnership with Sinclair Broadcast Group, Inc., through which Bally's rebranded regional sports networks reach approximately 70 per cent of US households;
- the addition of sports betting technology through Bally's acquisition of Bet.Works Corp. which completed on 28 May 2021; and
- significant combined cash flow to reinvest in the US market.

The Gamesys Directors welcome Bally's stated intentions concerning Gamesys' management and employees which are explained in paragraph 10 of Part 2 (*Explanatory Statement*) of the Scheme Document. In particular, the Gamesys Directors are pleased that Lee Fenton, the current CEO of Gamesys, will serve as Group CEO of the Combined Group. The Gamesys Directors also note the importance that Bally's places on the skills and experience of Gamesys' employees as well as their intention to fully safeguard the existing contractual and statutory employment rights, including in relation to pensions, of all Gamesys management and employees in accordance with applicable law.

In assessing the terms of the Combination, the Gamesys Directors considered the availability of the Cash Offer, which would provide Gamesys Shareholders with the opportunity to receive an immediate and certain value in cash, and the fact that the Combination also provides the option for Gamesys Shareholders to receive equity in the Combined Group in lieu of the cash consideration.

In addition, the Gamesys Directors note that the terms of the Cash Offer, including the Gamesys Final Dividend, represent a premium of:

- approximately 14.4 per cent to the Closing Price of 1,642 pence per Gamesys Share on 23 March 2021 (being the last Business Day prior to the commencement of the Offer Period);
- approximately 41.2 per cent to the Closing Price of 1,330 pence per Gamesys Share on 25 January 2021 (being the last Business Day prior to Bally's initial proposal to Gamesys dated 26 January 2021); and
- approximately 36.7 per cent to the average closing price per Gamesys Share of 1,373 pence for the three-month period ended 23 March 2021 (being the last Business Day prior to the commencement of the Offer Period) on a volume weighted average price basis.

Accordingly, the Gamesys Directors intend unanimously to recommend the Cash Offer to Gamesys Shareholders as set out in paragraph 15 of the Scheme Document.

8. The Gamesys Board's views on the Share Alternative

The Gamesys Board is pleased that the Combination provides Gamesys Shareholders with optionality to take either cash consideration under the Cash Offer or elect for the Share Alternative. The Gamesys Board considers that the following factors (among others) may be relevant to Gamesys Shareholders in determining whether or not to elect for the Share Alternative:

Advantages of electing for the Share Alternative

- The Share Alternative permits Gamesys Shareholders to invest directly in the Combined Group, providing a continuing investment in a group with a longterm growth strategy aimed at becoming the premier, truly integrated, omnichannel US gaming company with a B2B2C business.
- Electing for the Share Alternative will provide Gamesys Shareholders with the opportunity to participate in any increase in the market value of the New Bally's Shares.

Disadvantages of electing for the Share Alternative

- Gamesys Shareholders should be aware that there are risks in the implementation of any combination, and the Combined Group may not be able to successfully implement its strategic aims. Combined with a number of factors outside the control of the Combined Group, the market value of the New Bally's Shares may go down as well as up.
- At, prior to or following the Election Return Time, the Share Alternative could represent a discount to the value of the Cash Offer (as it does at the Latest Practicable Date (being 28 May 2021)).
- Gamesys Shareholders that receive New Bally's Shares will become shareholders in a Delaware corporation listed on the NYSE. The rights of, and protections afforded to, such shareholders are different to those of a shareholder in a company incorporated in England and Wales and listed on the London Stock Exchange. Further, some Gamesys Shareholders may not be able to hold US securities, for example, because they are resident or located in certain jurisdictions, or due to the terms of their constitutional or governing documentation.

The Gamesys Board and Macquarie Capital have considered the factors outlined above in relation to the Share Alternative.

Macquarie Capital has advised the Gamesys Board that after taking into account the current trading price of Bally's Shares and the United States Dollar / Sterling foreign exchange rate as at the Latest Practicable Date (being 28 May 2021) and the resulting implied value for Gamesys Shares using the exchange ratio, the financial terms of the Share Alternative currently undervalue Gamesys Shares. The Gamesys Directors, who have been so advised by Macquarie Capital as to the financial terms of the Share Alternative, unanimously consider that, as at the Latest Practicable Date (being 28 May 2021), the terms of the Share Alternative currently undervalue Gamesys Shares. However, as noted above, Gamesys Shareholders are not required to make a decision in respect of whether to elect for the Share Alternative until the Election Return Time and the value of the Share Alternative at that date could be

significantly different from the current value due to movements in Bally's share price and the United States Dollar / Sterling foreign exchange rate. In addition, any decision by Gamesys Shareholders to elect for the Share Alternative will depend on their particular circumstances, as further noted below.

For the reasons set out above, the Gamesys Board is not providing a recommendation in relation to the Share Alternative.

The Electing Gamesys Directors and a related trust of Keith Laslop have irrevocably undertaken to elect for the Share Alternative in respect of their entire (or, in respect of the related trust of Keith Laslop, part of its) beneficial holdings of Gamesys Shares amounting, in aggregate, to 1,783,276 Gamesys Shares (representing 1.6 per cent. Of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date (being 28 May 2021)). Such elections were based on a variety of reasons specific to each Electing Gamesys Director including their individual circumstances. For certain directors, these include the fact that they are expected to join the Bally's Board upon the Effective Date, their respective risk appetite and/or tax position, and their commitment to securing the Combination by facilitating Bally's ability to finance the Combination, including funding the Cash Offer.

Any decision by a Gamesys Shareholder to elect for the Share Alternative will depend on its particular circumstances including, but not limited to, its views on the factors outlined above, its risk appetite and, in particular, each Scheme Shareholder's ability to hold New Bally's Shares and its tax position (which may be affected by the laws of the relevant jurisdiction in which they reside or of which they are a citizen or national). In considering the tax consequences (in the jurisdiction or jurisdictions in which they are subject to tax) of electing for the Share Alternative, Gamesys Shareholders should consider whether any form of tax deferral would be available or whether any gain (or part of any gain) on their Gamesys Shares would be immediately subject to tax notwithstanding an election for the Share Alternative, and also consider the tax consequences of holding and disposing of New Bally's Shares and receiving dividends on them. Gamesys Shareholders should seek their own independent tax advice on the consequences of electing for the Share Alternative.

Any decision to elect for the Share Alternative should be based on independent financial, tax and legal advice and a full consideration of the 2.7 Announcement, the Scheme Document, this Prospectus and the risk factors set out in Bally's filings with the SEC (as described in paragraph 3 of Part 6 (*Description of the New Bally's Shares*) of the Scheme Document) and other relevant information.

In addition, Gamesys Shareholders should ascertain whether acquiring or holding New Bally's Shares is affected by the laws of the relevant jurisdiction in which they reside.

Please refer to Part 6 (*Description of the New Bally's Shares*) of the Scheme Document for further details of the rights attached to the New Bally's Shares.

9. Irrevocable undertakings from Gamesys Shareholders

Bally's and Premier Entertainment have received irrevocable undertakings from each of the Gamesys Directors who hold Gamesys Shares in respect of their own beneficial holdings (and those of certain of their close relatives and related trusts) of Gamesys Shares amounting, in aggregate, to 2,825,711 Gamesys Shares (representing 2.6 per cent of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date). The Electing Gamesys Directors and a related trust of Keith Laslop have also irrevocably undertaken to elect for the Share Alternative in respect of their entire (or, in respect of the related trust of Keith Laslop, part of its) beneficial holdings of Gamesys Shares amounting, in aggregate, to 1,783,276 Gamesys Shares (representing 1.6 per cent of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date).

In addition, Bally's and Premier Entertainment have also received irrevocable undertakings from certain other Gamesys Shareholders to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Gamesys General Meeting in respect of their entire beneficial holdings (and those of certain of their close relatives and related trusts) of Gamesys Shares amounting, in aggregate, to 33,676,449 Gamesys Shares (representing 30.8 per cent of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date), or, if the Combination is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer.

In total, therefore, irrevocable undertakings to vote in favour of the Scheme and the Special Resolution have been received from Gamesys Directors and other Gamesys Shareholders representing, in aggregate, 36,502,160 Gamesys Shares (representing 33.3 per cent of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date).

In addition, irrevocable undertakings to elect for the Share Alternative have been received from Gamesys Shareholders representing, in aggregate, 28,003,501 Gamesys Shares (representing approximately 25.5 per cent of Gamesys' issued ordinary share capital as at close of business on the Latest Practicable Date).

Further details on irrevocable undertakings are set out in paragraph 7 of Part 7 (*Additional Information*) of the Scheme Document.

10. Bally's Shareholder meeting and Bally's voting undertakings

Under NYSE rules, the issuance of New Bally's Shares in connection with the Combination requires the approval of the issuance of New Bally's Shares by Bally's Shareholders at the Bally's Shareholder Meeting.

The Bally's Directors have unanimously recommended that Bally's Shareholders vote in favour of the approval of the relevant proposals at the Bally's Shareholder Meeting. Bally's and Gamesys have entered into a voting agreement with certain Bally's Directors and officers of Bally's who hold Bally's Shares, pursuant to which they have irrevocably undertaken to vote in favour of the relevant proposals at the Bally's Shareholder Meeting in respect of their beneficial and of record holdings (and those of certain of their connected persons) of Bally's Shares amounting, in aggregate, to 801,615 Bally's Shares (representing 1.8 per cent of the outstanding issued share capital of Bally's as at the Latest Practicable Date).

In addition, Bally's and Gamesys have entered into a voting agreement with Standard RI, pursuant to which Standard RI has irrevocably undertaken to vote in favour of the relevant proposals at the Bally's Shareholder Meeting in respect of its shareholding of 8,821,314 Bally's Shares and to use its best efforts to cause Standard RI SPV LLC to vote in favour of such proposals in respect of its holding of 1,520,755 Bally's Shares (together representing approximately 23.22 per cent of the outstanding issued share capital of Bally's as at 28 May 2021, being the latest practicable date before the publication of this Prospectus).

Further details on the Bally's voting agreements are set out in paragraph 7 of Part 7 (*Additional Information*) of the Scheme Document.

Bally's filed the preliminary Bally's Proxy Statement with the SEC on 19 May 2021 and expects to mail the definitive Bally's Proxy Statement to Bally's Shareholders shortly, following which the Bally's Proxy Statement will be made available on <https://www.ballys.com/gamesys-documentation/>. Bally's will make an announcement via a Regulatory Information Service upon the definitive Bally's Proxy Statement, any supplements thereto and/or related documents or filings, being so made available.

11. Information about Bally's

Bally's is listed on the New York Stock Exchange (NYSE) and its shares trade under the ticker symbol "BALY".

Bally's is a leading owner and operator of land-based casinos in the US. Bally's currently owns and manages 12 casinos across eight states, a horse racetrack and 13 authorised off-track betting licences in Colorado. With more than 6,000 employees, Bally's operations include 13,300 slot machines, 457 game tables and 3,342 hotel rooms. Following the completion of pending acquisitions, which include Tropicana Evansville (Evansville, Indiana), Jumer's Casino & Hotel (Rock Island, Illinois), Tropicana Las Vegas Hotel and Casino (Las Vegas, Nevada), as well as the construction of a land-based casino near the Nittany Mall in State College, Pennsylvania, Bally's will own and manage 16 casinos across 11 US states. Bally's also maintains a multi-year market access partnership with Elite Casino Resorts through which it will provide mobile sports betting in Iowa and a temporary sports wagering permit to conduct online sports betting in the Commonwealth of Virginia.

On 28 May 2021, Bally's acquired Bet.Works Corp., a US based, sports betting platform provider to operators in New Jersey, Iowa, Indiana and Colorado. As a result of Bet.Works Corp.'s proprietary technology stack and turnkey solutions, which include marketing, operations, customer service, risk management and compliance, Bally's believes it will position itself to become a leading, full-service,

vertically integrated sports betting and iGaming company in the US with physical casinos and online gaming solutions united under a single, leading brand, thus enabling it to launch its B2B2C business model.

In November 2020, Bally's announced a long-term strategic partnership with Sinclair Broadcast Group that combines its vertically-integrated, proprietary sports betting technology and expansive market access footprint with Sinclair's portfolio of local broadcast television stations and live regional sports networks, the STIRR streaming service, the Tennis Channel and digital and over-the-air television network Stadium.

Bally's recent acquisitions of Monkey Knife Fight and SportCaller provide Bally's with digital/interactive footprints, provide access to the potentially lucrative interactive mobile sports betting and iGaming markets and diversify it from a financial standpoint.

In addition, on April 13, 2021, Bally's agreed to purchase the Tropicana Las Vegas Hotel and Casino in Las Vegas, Nevada from Gaming and Leisure Properties, Inc. ("**GLPI**"), a publicly traded gaming focused real estate investment trust. Bally's estimates the transaction to be valued at approximately \$300 million. The purchase price for the Tropicana property's non-land assets is \$150 million. In addition, Bally's has agreed to lease the land underlying the Tropicana property from GLPI for an initial term of 50 years at annual rent of \$10.5 million, subject to increase over time. Bally's and GLPI will also enter into a sale-and-leaseback transaction relating to Bally's Black Hawk, CO and Rock Island, IL casino properties for a cash purchase price of \$150 million payable by GLPI. The lease will have initial annual fixed rent of \$12 million, subject to increase over time.

Bally's aims to continue to grow the business by actively pursuing the acquisition and development of new gaming opportunities and reinvesting in existing operations. Bally's believes that interactive gaming, including mobile sports betting and iGaming represents a significant strategic opportunity for its future growth. In addition, it seeks to increase revenues at its brick and mortar casinos through enhancing the guest experience by providing popular games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service.

12. Information about Premier Entertainment

Premier Entertainment is a newly incorporated Delaware company and an indirect subsidiary of Bally's. Premier Entertainment has been formed at the direction of Bally's for the purposes of implementing the Combination together with Bally's.

13. Bally's Current Trading and Prospects

Bally's published its full year results on Form 10-K for the fiscal year ended 31 December 2020 on 10 March 2021, and the full year results are included in Part XIV ("**Bally's Financial Information**") (as set out in paragraph 2, Part 4 (*Financial and ratings information*) of the Scheme Document.

On 10 May 2021, Bally's announced its unaudited results for the quarter ended 31 March 2021, in which revenue was \$192.3 million and Adjusted EBITDA was \$52.5 million, compared to revenue and Adjusted EBITDA of \$109.1 million and \$22.1 million, respectively, for the quarter ended March 31, 2020. Throughout the quarter, Bally's experienced increased demand resulting from a rise in consumer confidence and reduction in COVID-19 restrictions, resulting in an income from operations of \$29.5 million representing the strongest quarter since the quarter ended 30 June 2019, and Adjusted EBITDA margins of 27.3%, representing an increase of 708 bps year-over-year.

14. Information about Gamesys

Gamesys is listed on the premium listing segment of the Main Market of the London Stock Exchange under the ticker symbol "GYS" and is the parent company of an online gaming group that provides entertainment to a global consumer base. Through its subsidiaries, Gamesys currently offers bingo and casino games to its players using brands which include Jackpotjoy, Virgin Games, Botemania, Vera&John, Heart Bingo, Megaways, Rainbow Riches Casino and Monopoly Casino, and focuses on building its diverse portfolio of distinctive and recognisable brands that deliver best-in-class player experience and gaming content.

As a leading international online gaming operator, Gamesys' market position and diverse customer base (both geographically and demographically) positions Gamesys strongly against its competitors in addition to providing Gamesys with significant opportunities to deliver further growth. Gamesys' core

brands have historically demonstrated significant rates of customer retention, achieved through a combination of Gamesys' diverse and engaging range of tailored content, strong customer relationship management and player engagement capabilities and its multi-brand strategy, which enables Gamesys to offer players a bespoke proposition catering for different player demographics and styles of play, as well as providing Gamesys with cross-marketing opportunities to improve the ultimate value derived from players.

Gamesys is well-capitalised and has demonstrated a strong track record of cash generation, with operating cash flow of £214.4 million for the year ended 31 December 2020. During the same period, Gamesys achieved annual revenues of £727.7 million (representing growth on a *pro forma* basis of 29% compared to 2019) and an adjusted EBITDA of £206.2 million (representing growth on a *pro forma* basis of 30% compared to 2019).

15. Gamesys Current Trading and Prospects

On 13 April 2021, Gamesys announced its trading update for the three month period ended 31 March 2021 and on 20 May 2021, Gamesys announced an expanded trading update for the same period. Gamesys reported a strong performance, with total revenues of £197.8 million for the three month period, representing an increase of 27% compared to the same three month period in 2020.

Gamesys reported that the trends seen across its international markets have been broadly consistent with the fourth quarter of 2020 and include strong growth in Gamesys two most significant regions, the UK and Asia.

Gamesys also reported that cash generation continued to be a standout feature and deleveraging had continued into 2021 to further underpin Gamesys' robust balance sheet.

16. Directors, Management, Employees, Research and Development and Locations

Bally's strategic plans for Gamesys

Bally's believes that the Combined Group has a compelling strategic and financial rationale, would create long-term value for both Gamesys and Bally's and would be consistent with Bally's long-term growth strategy, the objective of which is to create a leading, truly integrated, omni-channel US gaming company with a B2B2C business.

Gamesys would benefit from Bally's fast-growing land-based and online platform in the US, providing market access through Bally's operations in critical states as the nascent iGaming and sports betting opportunity develops in the United States. Bally's would benefit from Gamesys' proven technology platform, expertise and highly respected and experienced management team across the online gaming field. The Combined Group would be able to capitalise on the full range of opportunities available both in the US and beyond.

The Combination will also align with Bally's previously announced plan to split Bally's into two divisions: "Bally's Casinos," comprising Bally's physical gambling and entertainment properties, and "Bally's Interactive," which will include new and existing contracts for sports betting and internet gambling, including all of Bet.Works' sports betting operations, Monkey Knife Fight and SportCaller. As part of the transaction, Bally's anticipates that it will welcome Gamesys and its employees to Bally's Interactive.

Employees and management

Bally's attaches great importance to the skill and experience of Gamesys' management and employees and recognises their important contribution to what has been achieved by Gamesys.

Bally's believes that retaining key staff within Gamesys is important and has given assurances to the Gamesys Board that, following completion of the Combination, the existing employment rights, including pension rights, of the management and employees of Gamesys and its subsidiaries will be fully safeguarded in accordance with applicable law.

Bally's plans for the Gamesys Group do not involve any material change in overall headcount, conditions of employment of Gamesys' employees, or in the balance of the skills and functions of Gamesys' employees and management.

Following the proposed de-listing of Gamesys Shares and re-registration of Gamesys as a private limited company (as further described in paragraph 12, Part 1 (*Letter from the Chair of Gamesys Group plc*) of the Scheme Document), Bally's expects to review Gamesys' corporate headquarters and support functions, including certain functions relating to Gamesys' status as a public listed company, to determine when and how to combine such functions with the equivalent functions of Bally's. Consequently, a limited number of those functions might no longer be required, although Bally's has not made any definite plans in this regard.

It is intended that Gamesys' CEO, Lee Fenton, will become the CEO of the Combined Group and that Robeson Reeves, Gamesys' COO, and Jim Ryan, a non-executive director of Gamesys, will join the Bally's Board. It is also intended that Bally's CEO, George Papanier, will remain a member of the Bally's Board and the senior executive running the retail casino business.

It is intended that, upon completion of the Combination, each of the non-executive members of the Gamesys Board will resign as directors of Gamesys and will receive one month's payment in lieu of their notice period.

Pension schemes

Gamesys does not have a defined benefit pension scheme. It does, however, operate a defined contribution plan. Bally's does not intend to make any changes to this plan and intends that contributions be made to this plan in accordance with applicable law.

Incentivisation and retention arrangements

Bally's has not entered into, and has not had any discussions on proposals to enter into, any form of incentivisation arrangements with members of management of Gamesys. Nor has it agreed or entered into any arrangements with any of the Gamesys executive directors who are expected to join the Bally's Board and/or management team following completion of the Combination with regard to any changes to their existing terms of employment. Bally's does not intend to put in place any such arrangements before completion of the Combination.

Locations of business, fixed assets and headquarters

Following completion of the Combination, Gamesys' existing headquarters premises will continue to be utilised, but the headquarters of the Combined Group will be located in Providence, Rhode Island, USA. There is expected to be no material change in headcount at Gamesys' existing headquarters, except in respect of limited functions relating to Gamesys' status as a listed company which will be reviewed following the de-listing of Gamesys Shares.

Bally's has no plans to change the locations of business and fixed assets of Gamesys beyond any ordinary course changes planned by the current management of Gamesys.

Research and Development

Bally's values the investment that Gamesys has made in its technology and the infrastructure and expertise in place within the Gamesys Group to create, maintain and enhance existing product offerings. Bally's believes that it is important for the long-term success of the Combined Group and for customer satisfaction to maintain a leading product offering and intends to invest in this area following completion of the Combination through the existing Gamesys infrastructure. Bally's plans do not involve any material change to the research and developments functions of the Gamesys Group.

Trading Facilities

Gamesys is currently listed on the Official List and, as explained in paragraph 12, Part 1 (*Letter from the Chair of Gamesys Group plc*) of the Scheme Document, a request will be made to the London Stock Exchange to cancel trading in Gamesys Shares and de-list Gamesys from the Official List from or shortly after the Effective Date. Gamesys will then be re-registered as a private company following the Effective Date.

Views of the Gamesys Board

In considering the recommendation of the Combination to Gamesys Shareholders, the Gamesys Directors have given due consideration to Bally's intentions for the business, management, employees and locations of business of Gamesys.

The Gamesys Directors welcome Bally's intention that, following completion of the Combination, the existing contractual and statutory employment rights, including in relation to pensions, of all Gamesys management and employees will be fully safeguarded in accordance with applicable law.

17. Gamesys Share Plans and SIP

The Combination will extend to any Gamesys Shares which are unconditionally allotted, issued or, as applicable, transferred under the Gamesys Share Plans and the SIP before the Scheme Record Time.

Any Gamesys Shares allotted, issued or, as applicable, transferred under the Gamesys Share Plans and the SIP after the Scheme Record Time will, subject to the Combination becoming Effective and the proposed amendments to the Gamesys Articles being approved at the Gamesys General Meeting, be immediately transferred to Bally's for the same cash consideration as Gamesys Shareholders will be entitled to receive under the Combination.

Further information in respect of the proposed amendments to the Gamesys Articles is contained in the Notice of Gamesys General Meeting at Part 12 ("*Notice of Gamesys General Meeting*") of the Scheme Document.

Gamesys Share Plans

Awards granted under the Gamesys Share Plans which are unvested immediately before the Court sanctions the Scheme ("**Court Sanction Date**") will vest and become exercisable on the Court Sanction Date on the basis determined by the Gamesys Remuneration Committee in accordance with the relevant Gamesys Share Plan rules, award agreement and participant employment contract.

The Gamesys Remuneration Committee will determine the extent to which any performance conditions that apply to any outstanding awards have been met shortly before the Court Sanction Date. The Gamesys Remuneration Committee has determined that (i) no time pro-rating will be applied to any awards granted before 1 January 2021 and (ii) time pro-rating will be applied to awards granted after 1 January 2021, reducing the maximum number of Gamesys Shares over which such awards can vest to one third of the Gamesys Shares under award if the Court Sanction Date falls in 2021.

Vested but unexercised awards under the Gamesys Long Term Incentive Plan will lapse no later than one month after the Court Sanction Date. All options under the Gamesys Share Option Plan will lapse no later than 8 September 2021.

SIP

Gamesys Shares held in the SIP trusts, as partnership shares, matching shares and free shares, will participate in the Combination (on the same terms as for other Gamesys Shareholders).

Matching share awards and free share awards granted under the SIP which are unvested immediately before the Court Sanction Date will vest on the Court Sanction Date.

18. Warrant Instrument

The Warrantholder will be contacted regarding the effect of the Combination on its rights under the Warrant Instrument and an appropriate proposal will be made to the Warrantholder consistent with its rights under the Warrant Instrument.

19. Financing of the Combination

On the Announcement Date, Premier Entertainment entered into a commitment letter and interim facilities agreement (as subsequently amended and restated pursuant to an amendment and restatement agreement dated 27 April 2021) (the "**IFA**") for a bridge loan to be provided by Deutsche Bank Aktiengesellschaft, London Branch, Goldman Sachs Bank USA, Barclays Bank PLC, Citizens Bank, National Association, Truist Bank, Capital One, National Association and Fifth Third Bank, National Association to satisfy the cash element of the Consideration. The maximum cash consideration payable to Gamesys shareholders if only the Electing Gamesys Directors and the Electing Gamesys Shareholders elect for the Share Alternative would be £1.6 billion.

In connection with the IFA, Bally's entered into a commitment letter (the "**GLPI Commitment Letter**") with GLPI, a publicly traded gaming focused real estate investment trust under which GLPI committed to purchase Bally's Shares, or, subject to US regulatory requirements, warrants, with a value of up to \$500 million. The Bally's Shares will be valued based on the volume-weighted average

price per Bally's Share for the 20 consecutive trading days before issue. GLPI may elect to fund its commitment to Bally's, rather than by acquiring equity in Bally's, in the form of an advance deposit of the purchase price payable by GLPI in connection with prepaid sale leaseback transaction(s) with respect to certain designated Bally's properties, or in the form of one or more interest-bearing loan instruments that will be secured by Bally's real estate assets on a subordinated basis. Any equity raise by Bally's in excess of \$850 million reduces the GLPI commitment on a dollar for dollar basis.

Since the Announcement Date, Bally's has sought, and will continue to seek prior to the Effective Date, to finance the cash element of the Consideration and refinance Gamesys' existing debt (and thereby reduce or eliminate the need for borrowings under the IFA or GLPI commitment) through one or more capital market transactions, which could include public or private offerings of Bally's Shares or other securities, and a new company-wide bank credit facility. An underwritten public offering of 12.65 million Bally's Shares of common stock at a price of \$55 per share was completed on 20 April 2021 (the "**Initial Offering**"). The net proceeds of the Initial Offering were \$671,398,750. A prospectus supplement in relation to the Initial Offering is available at: <https://www.sec.gov/cgi-bin/browse-edgar?CIK=0001747079&owner=exclude>. Also on 20 April 2021, in a private placement transaction, Bally's issued to affiliates of Sinclair Broadcast Group, Inc. ("Sinclair") a warrant to purchase 909,090 common stock of Bally's for an aggregate purchase price of \$50 million, the same price per share as the public offering price in the Initial Offering (\$55 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 common stock without such approvals.

A portion of the commitments under the IFA and the commitment letter have been cancelled to reflect the reduced need for borrowings following the Initial Offering and the private placement with Sinclair by an amount of £485,462,888.71. It is intended that the commitments will be further cancelled to the extent that the need for borrowings under the IFA is further reduced.

Deutsche Bank, financial adviser to Bally's and Premier Entertainment, is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Gamesys Shareholders under the terms of the Combination.

Under the terms of the IFA, except (i) with the consent of the lenders under the IFA, (ii) where required by the Panel, or (iii) where necessary to comply with the Takeover Code or other applicable law, Premier Entertainment may not waive, or, where it would, pursuant to Rule 13.5(a) of the Takeover Code and with the consent of the Panel, be entitled to invoke a Condition so as not to proceed with, lapse or withdraw the Combination, treat as satisfied, any material Condition to the extent that it would be materially prejudicial to the interests of the lenders under the IFA.

20. Offer-related arrangements

Confidentiality Agreement

Bally's and Gamesys entered into a confidentiality agreement on 2 January 2021 (the "**Confidentiality Agreement**") pursuant to which each of Bally's and Gamesys has undertaken to the other to (i) keep confidential certain information related directly or indirectly to the Combination and not to disclose it to third parties (other than to permitted recipients) and (ii) use any confidential information disclosed pursuant to the Confidentiality Agreement only in connection with the Combination, subject to certain exceptions.

These confidentiality obligations will remain in force until the earlier of 30 June 2022 and the Effective Date.

The Confidentiality Agreement also includes customary non-solicitation obligations on both parties valid for 12 months from the date of the Confidentiality Agreement.

Confidentiality and Joint Defence Agreement

Bally's, Gamesys and their respective external legal counsels entered into a confidentiality and joint defence agreement (the "**Confidentiality and Joint Defence Agreement**") dated 2 March 2021 the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties only takes place between their respective external legal counsels and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of privilege, right or immunity that might otherwise be available.

Cooperation Agreement

On 13 April 2021, Bally's and Gamesys entered into a cooperation agreement (the "**Cooperation Agreement**"), pursuant to which, among other things, they have agreed to cooperate for the purposes of obtaining all Authorisations and preparing the Scheme Document, the Bally's Proxy Statement and the Prospectus.

Bally's has agreed to use its reasonable endeavours to obtain all such Authorisations in sufficient time to enable the Effective Date to occur by the Long Stop Date. Gamesys and Bally's have agreed to certain undertakings to cooperate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made in relation to such Authorisations necessary to satisfy certain regulatory conditions as well as the key shareholder documentation.

The Cooperation Agreement will terminate in certain circumstances including, among other things: (1) if agreed in writing between Bally's and Gamesys; (2) if the Effective Date has not occurred by the Long Stop Date; or (3) upon written notice by Gamesys to Bally's or Bally's to Gamesys if: (a) the Combination is withdrawn, terminated or lapses before the Long Stop Date (subject to certain exceptions); (b) Bally's decides, without the consent of Gamesys, to implement the Combination by way of a Takeover Offer; (c) the Scheme or the Resolutions (as applicable) are not approved by the requisite majorities of Gamesys Shareholders, or the Court refuses to sanction the Scheme, and in each case Gamesys does not consent within two Business Days of Bally's request to implement the Combination as a Takeover Offer; (d) the Combination is not approved by the requisite majority of Bally's Shareholders; or (e) the Gamesys Board or the Bally's Board (as applicable) announce their intention to: (i) withdraw or adversely qualify or modify their recommendation of the Combination; (ii) not convene the Court Meeting, the Gamesys General Meeting or the Bally's Shareholder Meeting; or (iii) not post the Scheme Document or the Bally's Proxy Statement.

Gamesys also has the right to terminate the Cooperation Agreement if: (1) the Bally's Shareholder Meeting is not held on or before the 22nd day after the expected date of such meeting as set out in the Bally's Proxy Statement and/or the Prospectus (or such later date as the parties may agree) or (2) the Bally's Board withdraws, or the Bally's Proxy Statement does not include, the Bally's Board's recommendation to vote in favour of the shareholder resolutions necessary to approve the issuance of the New Bally's Shares.

Bally's has the right to terminate the Cooperation Agreement if: (1) the Court Meeting, the Gamesys General Meeting or the Court Hearing is/are not held on or before the 22nd day after the expected date of such meeting or hearing as may be set out in the Scheme Document (or such later date as may be agreed between the parties); (2) the Gamesys Board withdraws, qualifies or adversely modifies its recommendation of the Combination; (3) after approval of the Resolutions, other than where an Agreed Switch (as defined in the Cooperation Agreement) occurs but without prejudice to Bally's rights to terminate the Cooperation Agreement under any other provision of the Cooperation Agreement, Gamesys Directors announce that they will not implement the Scheme; (4) the Scheme Document does not include the Gamesys Board's recommendation to Gamesys Shareholders to vote in favour of the Scheme and the Resolutions; or (5) a competing transaction is either recommended by the Gamesys Board or completes, becomes effective or is declared or becomes unconditional in all respects.

The Cooperation Agreement records Bally's and Gamesys' intention to implement the Combination by way of a Scheme, subject to the ability of Bally's to implement the Combination by way of a Takeover Offer.

The Cooperation Agreement also contains provisions that will apply in respect of certain employee-related matters and the Gamesys Share Plans and the SIP.

Lock-Up Agreement

On 13 April 2021, Lee Fenton entered into a lock-up agreement (the "**Lock-Up Agreement**") pursuant to which for six months after the Effective Date, he may not sell New Bally's Shares received by him as consideration pursuant to the Combination. The Lock-Up agreement is subject to customary exceptions and Lee Fenton would be entitled to sell up to 10% of his holding of New Bally's Shares, subject to normal US insider restrictions.

It is intended that the Combination will be effected by means of a Court-approved scheme of arrangement between Gamesys and the Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Bally's and Premier Entertainment to acquire the entire issued and to be issued ordinary share capital of Gamesys. This would be achieved by the transfer of the Scheme Shares to Bally's and Premier Entertainment on the basis set out in the Scheme Document, in consideration for which the Scheme Shareholders who are on the register of members of Gamesys at the Scheme Record Time will receive the Consideration on the basis set out in the Scheme Document.

The Scheme will become effective only if, among other things, the following events occur on or before the Long Stop Date:

- the approval of the Scheme by a majority in number of the Scheme Shareholders who are present and voting, whether in person or by proxy, at the Court Meeting and who represent 75 per cent or more in value of the Scheme Shares voted by those Scheme Shareholders;
- the Special Resolution being duly passed by Gamesys Shareholders representing the requisite majority or majorities of votes cast at the Gamesys General Meeting;
- each of the Court Meeting, the Gamesys General Meeting and the Court Hearing being held on or before the 22nd day after the expected date for each such meeting or hearing, respectively, as set out in the Scheme Document or, in any such case, such later date as Bally's or Premier Entertainment and Gamesys may agree and, if required, the Court may allow;
- the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Gamesys and Bally's or Premier Entertainment);
- the delivery of a copy of the Court Order to the Registrar of Companies;
- the FCA having approved the Prospectus;
- approval of the New Bally's Shares for listing on the NYSE, subject to official notice of issuance;
- the issue of the New Bally's Shares having been approved by Bally's Shareholders at the Bally's Shareholder Meeting; and
- certain foreign direct investment and regulatory approvals, including relevant gaming regulatory consents and approvals in the UK and certain other jurisdictions in which Bally's or Gamesys have licences.

The Scheme will lapse if it does not become effective by the Long Stop Date.

The deadlines for the timing of the Court Meeting, the Gamesys General Meeting and the Court Hearing as set out above may be waived by Bally's or Premier Entertainment, and the Long Stop Date may be extended by agreement between Gamesys and Bally's or Premier Entertainment (with the Panel's consent and as the Court may approve (if such consent and/or approval is required)).

Upon the Scheme becoming effective, it will be binding on all Gamesys Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Gamesys General Meeting. Each of Bally's and Premier Entertainment reserve the right to elect (with the consent of the Panel, if required, and subject to the terms of the Cooperation Agreement) to implement the Combination by way of a Takeover Offer for the entire issued and to be issued share capital of Gamesys as an alternative to the Scheme.

Further details of the Scheme and the Gamesys Shareholder Meetings are set out in paragraph 15 of Part 2 (*Explanatory Statement*) of the Scheme Document.

21. Suspension, delisting and re-registration

Before the Scheme becomes effective, it is intended that Gamesys will make an application for the cancellation of trading of the Gamesys Shares on the London Stock Exchange's main market for listed securities and an application to the FCA for the cancellation of the listing of Gamesys Shares on the Official List, in each case to take effect on or shortly after the Effective Date. The last day of dealings in Gamesys Shares on the main market of the London Stock Exchange is expected to be the Business Day immediately before the Effective Date and no transfers will be registered after 6.30 p.m. on that date.

On the Effective Date, share certificates in respect of Gamesys Shares will cease to be valid and entitlements to Gamesys Shares held within the CREST system will be cancelled.

Following the Effective Date, and after its shares are delisted, Premier Entertainment intends to re-register Gamesys as a private limited company.

PART VIII

INFORMATION ON BALLY'S

The following information should be read in conjunction with the information appearing elsewhere in this Prospectus, including the financial and other information in Part XIII (“Bally’s Operating and Financial Review”) and Part XIV (“Bally’s Financial Information”). The financial information included in this Part VIII (“Information on Bally’s”) has been extracted without material adjustment from Part XIII (“Bally’s Operating and Financial Review”) or the financial information referred to in Part XIV (“Bally’s Financial Information”), or from the accounting records of the Bally’s Group, which formed the underlying basis of the financial information referred to in Part XIV (“Bally’s Financial Information”).

The following information should be read in conjunction with Part XVII (“Unaudited Pro Forma Financial Information of the Combined Group”), which illustrates the effect of the Combination on the Combined Group.

Introduction

The Corporation is a U.S. full-service sports betting/iGaming company with physical casinos and online gaming solutions united under a single, prominent brand. The Corporation, through its wholly owned subsidiary Twin River Management Group, Inc. (“TRMG”), owns and manages the Twin River Casino Hotel (“Twin River Casino Hotel”) in Lincoln, Rhode Island, the Tiverton Casino Hotel (“Tiverton Casino Hotel”) in Tiverton, Rhode Island, the Hard Rock Hotel & Casino (“Hard Rock Biloxi”) in Biloxi, Mississippi, the Dover Downs Hotel & Casino (“Dover Downs Casino Hotel”) in Dover, Delaware, the Golden Gates, Golden Gulch and Mardi Gras casinos (collectively, “Black Hawk Casinos”) in Black Hawk, Colorado, Casino KC (“Casino KC”) in Kansas City, Missouri, Casino Vicksburg (“Casino Vicksburg”) in Vicksburg, Mississippi, Bally’s Atlantic City (“Bally’s Atlantic City”) in Atlantic City, New Jersey, Eldorado Resort Casino Shreveport (“Shreveport”) in Shreveport, Louisiana, MontBleu Resort Casino & Spa (“MontBleu”) in Lake Tahoe, Nevada, and the Arapahoe Park racetrack and 13 off-track betting licences (“Mile High USA”) in Aurora, Colorado. Under TRMG’s Bally’s Interactive division, the Corporation owns and manages Horses Mouth Limited (“SportCaller”), a leading B2B free-to-play game provider for sports betting and media companies across North America, the UK, Europe, Asia, Australia, LATAM and Africa, Monkey Knife Fight (“MKF”), a North American gaming platform and daily fantasy sports operator and Bet.Works Corp. (“Bet.Works”), a U.S. based, sports betting platform provider.

The Combination and Recent Developments

On 13 April 2021, the Corporation announced that it had reached terms regarding a combination to acquire all of the issued and outstanding share capital of Gamesys for a mixture of cash and Bally’s Shares. Gamesys is a leading international online gaming operator that provides entertainment to a global consumer base. Gamesys currently offers bingo and casino games to its players using brands which include Jackpotjoy, Virgin Games, Botemania, Vera&John, Heart Bingo, Starspins, Rainbow Riches Casino and Monopoly Casino. Under the terms of the Combination, Gamesys Shareholders would have the option to receive 1,850 pence in cash or Bally’s Shares or a combination of both.

For further details on the strategic background to the Combination, see paragraph 5 of Part VII (“Details of the Combination”).

In addition, the Bally’s Group acquired the rights to the name “Bally’s” in 2020 as part of its strategy to become a leading U.S. full-service sports betting/iGaming company with physical casinos and online gaming solutions united under a single, prominent brand. The Bally’s Group has taken other key steps to build its iGaming and sports betting business in the past year, including:

- entering into a strategic partnership with Sinclair Broadcast Group (“Sinclair”) to leverage the Bally’s brand and combine the Bally’s Group’s 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;
- acquiring Bet.Works, a sports betting platform provider to operators in Colorado, New Jersey, Indiana and Iowa, and MKF, the third-largest fantasy sports platform in North America; and
- acquiring SportsCaller, a leading B2B free-to-play (“FTP”) game provider, in early 2021.

The Bally’s Group is a Delaware corporation with its global headquarters in Providence, Rhode Island.

Strategy

Recent and Pending Acquisitions

The Bally's Group seeks to continue to grow its business by actively pursuing the acquisition and development of new gaming opportunities and reinvesting in its existing operations. The Bally's Group believes that interactive gaming, including mobile sports betting and iGaming represents a significant strategic opportunity for future growth of the Corporation. In addition, the Bally's Group seeks to increase revenues at its brick and mortar casinos through enhancing the guest experience by providing popular games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service.

The Bally's Group's recent and pending business acquisitions include:

- **Dover Downs** – On 28 March 2019, the Bally's Group completed its merger with Dover Downs, with Dover Downs becoming its indirect wholly owned subsidiary and Dover Downs shareholders receiving common stock of Bally's representing 7.225% of the equity of the combined company at closing.
- **Black Hawk Casinos** – On 23 January 2020 the Bally's Group acquired three casino properties in Black Hawk, Colorado (Golden Gates, Golden Gulch and Mardi Gras) from a subsidiary of Affinity Gaming ("Affinity") for \$53.8 million in cash, subject to customary post-closing adjustments. On 5 November 2019, Proposition DD was passed by the voters of Colorado, legalizing sports gambling in the state. As a result of this new legislation, the Bally's Group received three sports betting licences in Colorado through the acquisition of the Black Hawk Casinos. The Bally's Group has entered into separate agreements with DraftKings Inc. and FanDuel Group to provide sportsbook products through these licences.
- **Casino KC and Casino Vicksburg** – On 1 July 2020, the Bally's Group acquired Casino KC in Kansas City, Missouri and Casino Vicksburg in Vicksburg, Mississippi for \$229.9 million in cash, subject to customary post-closing adjustments from Eldorado Resorts, Inc., ("Eldorado"). (Eldorado subsequently merged with Caesars Entertainment Corporation and formed Caesars Entertainment Inc ("Caesars")).
- **Bally's Atlantic City** – On 18 November 2020, the Bally's Group acquired Bally's Atlantic City from Caesars and Vici Properties Inc. along with the licence to build out a sports book and launch online sports and internet gaming for \$24.7 million in cash, subject to customary post-closing adjustments.
- **Shreveport** – On 23 December 2020, the Bally's Group acquired Eldorado Resort Casino Shreveport in Shreveport, Louisiana for \$137.2 million, subject to customary post-closing adjustments, from Caesars.
- **SportCaller** – On 5 February 2021, the Bally's Group acquired SportCaller, one of the leading B2B free-to-play ("FTP") game providers for sports betting and media companies across North America, the UK, Europe, Asia, Australia, LATAM and Africa, for \$24.0 million in cash and 221,391 shares of the Bally's Group's common stock (valued at approximately \$12.0 million), subject to adjustment, and up to \$12.0 million in value of additional shares if SportCaller meets certain post-closing performance targets (calculated based on an exchange ratio of 0.8334).
- **MontBleu** – On 24 April 2020, the Bally's Group agreed to acquire MontBleu Resort Casino & Spa operations in Lake Tahoe, Nevada for \$15.0 million, subject to post-closing adjustments, from Caesars, subject to required regulatory approvals and satisfaction of other customary closing conditions.
- **Jumer's Casino & Hotel** – On 30 September 2020, the Bally's Group agreed with Delaware North Companies Gaming & Entertainment, Inc. to acquire Jumer's Casino & Hotel in Rock Island, Illinois for \$120.0 million in cash, subject to required regulatory approvals and satisfaction of other customary closing conditions.
- **Tropicana Evansville** – On 27 October 2020, the Bally's Group agreed with Caesars to acquire the Tropicana Evansville Casino in Evansville, Indiana for a purchase price of \$140.0 million. The transaction is expected to close in the second quarter of 2021, subject to receipt of required regulatory approvals and satisfaction of other customary closing conditions. At the same time, an affiliate of Gaming & Leisure Properties, Inc. agreed to acquire the real estate associated with the Tropicana Evansville Casino for \$340.0 million and lease it back to the Bally's Group for \$28 million per year, subject to escalation. GLPI also agreed to acquire the real estate associated with the Bally's Group's Dover Downs casino for \$144 million and lease it back to the Bally's Group for \$12 million per year,

subject to escalation. Both leases are governed by a master lease agreement with GLPI which has an initial term of 15 years with four five-year renewal options. Refer to Note 5. "Acquisitions" in Section B of Part XIV ("**Bally's Financial Information**") for further information.

- **Bet.Works** – On 28 May 2021, the Bally's Group acquired Bet.Works, a sportsbook technology platform, for \$62.5 million in cash and 2,084,765 common shares, subject in each case to customary adjustments.
- **Monkey Knife Fight** – On 22 January 2021, the Bally's Group agreed to acquire MKF for (1) immediately exercisable penny warrants to purchase up to 984,450 Bally's common shares (subject to adjustment) at closing and (2) contingent penny warrants to purchase up to 787,550 additional common shares half of which are issuable on each of the first and second anniversary of closing. The total value of the warrants at signing was \$90.0 million. The transaction is subject to customary closing conditions.

The Bally's Group believes these acquisitions have expanded and will, in the case of the pending acquisitions, further expand both the Bally's Group's operating and digital/interactive footprints, provide the Bally's Group access to the potentially lucrative interactive mobile sports betting and iGaming markets, and diversify the Bally's Group from a financial standpoint, while continuing to mitigate the Bally's Group's susceptibility to regional economic downturns, idiosyncratic regulatory changes and increases in regional competition.

Other Strategic Initiatives

Bally's Trade Name

On 13 October 2020, the Bally's Group acquired the Bally's brand name and related rights from Caesars and changed its name to Bally's Corporation. The Bally's Group began trading on the New York Stock Exchange ("NYSE") as "BALY" shortly thereafter. The Bally's Group believes Bally's is an iconic brand that is commensurate with the premier properties and amenities that define its diversified portfolio. The Bally's Group believes that the "Bally's" trade name brand has a rich history of gaming and entertainment that will provide immediate and enhanced nationwide brand recognition.

With the Bally's Group's Sinclair media partnership and its interactive acquisitions, the Bally's Group has targeted growth in regional gaming, mobile and iGaming segments with the goal of becoming an industry leader in these segments in the U.S. The Bally's Group's rapidly growing footprint will now allow the Bally's Group to serve the over 80 million customers that reside within the markets for its soon to be 14 premier casino properties. With the Bally brand, media partnership and the unencumbered skins, or gaming licences, the Bally's Group have acquired and reserved in its portfolio, the Bally's Group can now provide omni-channel offerings across its various physical properties while having a singular online and mobile presence with a brand that is synonymous with gaming entertainment.

Bally Interactive

As a result of acquiring Bet.Works' proprietary technology stack and turnkey solutions, which include marketing, operations, customer service, risk management and compliance, the Bally's Group believes it will position itself to become a leading, full-service, vertically integrated sports betting and iGaming company in the U.S. with physical casinos and online gaming solutions united under a single, leading brand, thus enabling it to launch the Bally's Group's B2B2C business model. The Bet.Works acquisition, which complements these initiatives, provides the Bally's Group with a suite of advanced omni-channel products, platforms, software and content solutions that the Bally's Group expect will position it to deliver unrivalled sports betting and iGaming offerings to customers on a national scale. Complementing the Bet.Works transactions are the Bally's Group's acquisitions of MKF and SportCaller. These acquisitions provide the Bally's Group with the platforms to broaden its interactive offerings to include daily fantasy sports and FTP options which will both generate revenue as well as serve to increase the Bally's Group's player database. In addition to providing additional offerings for Bally's, SportCaller, similar to Bet.Works, also already includes an established B2B solutions and revenue stream.

Strategic Partnership – Sinclair Broadcast Group

The Bally's Group's agreements with Sinclair provide for a long-term strategic partnership for up to 20 years that combines the Bally's Group's vertically integrated, proprietary sports betting technology and expansive market access footprint with Sinclair's premier portfolio of local broadcast stations and live regional sports networks ("RSNs"), STIRR streaming service, its popular Tennis Channel, and digital and over-the-air television network Stadium. Bally's and Sinclair will partner to create unrivalled sports

gamification content on a national scale, positioning Bally's as a leading omni-channel gaming company with physical casinos and online sports betting and iGaming solutions united under a single brand.

The Bally's Group plans to integrate Bally's content into the 190 television stations that Sinclair owns, operates or provides services to across 88 markets and its regional sports networks. The Bally's Group's plan is to jointly market, design and integrate products on a state-by-state basis, and deliver online gaming experiences to local audiences. The Sinclair partnership, along with the Bally's Group's acquisition of Bet.Works' iGaming technology platform, brings the opportunity to integrate media and technology into the Bally's Group's traditional, regional land-based casino footprint.

Refer to Note 9 "Sinclair Agreement" in Section B of Part XIV ("**Bally's Financial Information**") for more information on the Sinclair transaction.

Proposed Partnership with IGT in Rhode Island

On 30 January 2020, the Bally's Group announced an agreement in principle to form a joint venture ("**JV**") with International Gaming Technology PLC ("**IGT**") to become a licenced technology provider and supply the State of Rhode Island with all VLTs at both Twin River Casino Hotel and Tiverton Casino Hotel for a 20-year period starting 1 July 2022. IGT would own 60% of the joint venture. In addition, the Bally's Group's master contract with Rhode Island would be extended on existing terms until 30 June 2043, and the Bally's Group would commit to investing \$100 million in Rhode Island over this extended term, including an expansion and the addition of new amenities at Twin River Casino Hotel. This proposed agreement requires the Rhode Island State Legislature to enact legislation for the state to enter into or amend contracts with the Bally's Group. The agreement in principle would also result in changes to the Bally's Group's Regulatory Agreement in Rhode Island, including an increase in the ratios applicable to the Bally's Group and greater flexibility to complete sale and leaseback transactions. The Bally's Group expect this legislation will be adopted later in 2021, although there can be no assurance of this.

Centre County, Pennsylvania Development

On 31 December 2020, the Bally's Group signed a framework agreement with entities affiliated with an established developer to design, develop, construct and manage a Category 4 licenced casino in Centre County, Pennsylvania. Construction of the casino is expected to begin in 2021 and will take approximately one year to complete. Subject to receipt of regulatory approvals, it will house up to 750 slot machines and 30 table games. The casino will also provide, subject to receipt of separate licences and certificates, retail sports betting, online sports betting and online gaming. The Corporation estimates the total cost of the project, including construction, licensing and sports betting/iGaming operations, to be approximately \$120 million. If completed, the Bally's Group will acquire a majority equity interest in the partnership, including 100% of the economic interests of all retail sports betting, online sports betting and iGaming activities associated with the project.

History

The Corporation was incorporated in 2004 as BLB Worldwide Holdings, Inc. In 2011, it changed its name to Twin River Worldwide Holdings. In 2020, it changed its name to Bally's Corporation.

TRMG formed Premier Entertainment II LLC which acquired substantially all of the assets of Newport Grand Casino located in Newport, Rhode Island on 14 July 2015. Newport Grand housed approximately 1,100 VLTs on behalf of the State of Rhode Island and also offered simulcast wagering as well as a restaurant and bar. Until Newport Grand closed on 28 August 2018, Newport Grand was entitled to a 28.0% share of VLT revenue. The Corporation has included the results of Newport Grand in its consolidated financial statements from the date of acquisition until the date Newport Grand vacated the building after closing. See Note 6 "Sale of Newport Grand".

On 3 February 2015, TRMG formed Border Investments LLC for the purpose of acquiring the rights to land located in Tiverton, Rhode Island and subsequently proposed a relocation of the existing Newport Grand gaming licence to a new casino to be developed in that town. On 9 November 2015, TRMG formed Twin River-Tiverton, LLC to develop and house the new casino. The Tiverton casino was approved by a majority vote in both the State of Rhode Island and the Town of Tiverton on 8 November 2016. During 2017, the land acquired by Border Investments LLC was transferred to Twin River-Tiverton, LLC and Border Investments LLC was dissolved. On 1 September 2018, the casino and hotel located in Tiverton, Rhode Island ("**Tiverton Casino Hotel**") began operations. Following the closure of the Newport Grand Casino ("**Newport Grand**") in August 2018, the Bally's Group opened the Tiverton Casino Hotel on 1 September 2018.

On 28 March 2019, the Corporation, through its wholly owned subsidiary Premier Entertainment III, LLC acquired Dover Downs Gaming & Entertainment, Inc. (“**Dover Downs**”). In the transaction, each share of Dover Downs common stock and class A common stock was converted into the right to receive 0.0899 shares of the Corporation’s common stock. Dover Downs common stock, which previously traded under the ticker symbol “DDE” on the New York Stock Exchange (the “**NYSE**”), ceased trading on, and was delisted from, the NYSE on 28 March 2019. On 23 January 2020 the Bally’s Group completed its acquisition of the Black Hawk Casinos.

Operating Structure

As of 31 March 2021, the Corporation had seven operating segments; Rhode Island, Mid-Atlantic, Southeast, West, SportCaller, MKF, and Mile High USA. Beginning in the third quarter of 2020, the Corporation changed its management structure to better align with its strategic growth initiatives in light of recent and pending acquisitions, which resulted in the re-alignment of our operating and reportable segments. For purposes of financial reporting, its four reportable segments include the following properties:

- Rhode Island – includes Twin River Casino Hotel and Tiverton Casino Hotel
- Mid-Atlantic – includes Dover Downs and Bally’s Atlantic City
- Southeast – includes Hard Rock Biloxi, Casino Vicksburg and Shreveport
- West – includes Casino KC and the Black Hawk Casinos

As of March 31, 2021, the Corporation has reported the immaterial operating segments of Mile High USA, SportCaller, and MKF, and shared services provided by Twin River Management Group (its management subsidiary), in the “Other” category. The Corporation is expecting to create a new Bally’s Interactive division, which will include SportCaller, Monkey Knife Fight, Bet.Works and Gamesys and will be evaluated for segment reporting considerations upon the close of pending acquisitions.

The Corporation is currently evaluating the impact that its pending casino acquisitions and developments will have on its operating and reporting segments. It is expected that MontBleu will be reported with the West, but no determination has been made for Tropicana Evansville, Jumer’s, the Centre City, Pennsylvania development project (explained below) or Tropicana Las Vegas.

The Bally’s Group’s casino operations are all within the U.S. Refer to Note 14 “Segment Reporting” to see the Bally’s Group’s consolidated financial statements presented in Section B of Part XIV (“**Bally’s Financial Information**”) for additional information.

Properties and business segments

As of 10 May 2021, the Bally’s Group owns and manages 12 properties; 12 casinos across eight states, a horse racetrack and 13 authorised off-track betting (“**OTB**”) licences in Colorado. The Bally’s Group’s operations include 13,300 slot machines, 457 game tables and 3,342 hotel rooms. Information relating to the location and general characteristics of the Bally’s Group’s properties as set out below.

Following the completion of the Bally's Group's pending acquisitions, as well as the construction of a land-based casino in Centre County, Pennsylvania, the Bally's Group will own 16 properties across 11 states.

Property	Location	Type	Opening Year	Gaming Square Footage	Slot Machines	Table Games	Hotel Rooms	Food and Beverage Outlets	Racebook	Sportsbook
Twin River Casino Hotel ⁽¹⁾	Lincoln, RI	Casino and Hotel	2007	168,072	4,067	113	136	21	Yes	Yes
Hard Rock Biloxi ⁽¹⁾	Biloxi, MS	Casino and Resort	2007	50,984	984	55	479	18	No	Yes
Tiverton Casino Hotel ⁽¹⁾	Tiverton, RI	Casino and Hotel	2018	33,600	1,000	32	83	7	Yes	Yes
Dover Downs Hotel and Casino ⁽¹⁾	Dover, DE	Casino, Hotel and Raceway	1995	84,075	2,060	37	500	14	Yes	Yes
Black Hawk Casinos ⁽¹⁾⁽²⁾	Black Hawk, CO	3 Casinos	multiple(4)	34,632	572	33	—	8	No	Yes
Casino KC ⁽¹⁾	Kansas City, MO	Casino	1996	39,788	848	17	—	3	No	No
Casino Vicksburg ⁽¹⁾	Vicksburg, MS	Casino and Hotel	1994	32,608	490	8	89	4	No	Yes
Bally's Atlantic City ⁽¹⁾	Atlantic City, NJ	Casino and Hotel	1979	83,569	1,480	92	1,214	10	No	Yes
Eldorado Resort Casino Shreveport ⁽¹⁾	Shreveport, LA	Casino and Hotel	2000	49,916	1,381	53	403	6	No	No
MontBleu Resort Casino and Spa	Lake Tahoe, Nevada	Casino and Hotel	—	48,456	418	17	438	7	Yes	Yes
Mile High USA	Aurora, CO	Racetrack/OTB Site	1992	—	—	—	—	3	Yes	No
Corporate Headquarters ⁽³⁾	Providence, RI	Office Space	2019	—	—	—	—	—	No	Risk No

(1) The properties noted above are mortgaged under and encumbered by the Bally's Group's Credit Agreement entered into on 31 December 2020.

(2) These properties include the Golden Gates, Golden Gulch and Mardi Gras casinos which were acquired on 23 January 2020.

(3) The corporate headquarters located in Providence, RI is a leased property with a lease end date of 1 July 2023, but may be terminated by either party within 60 days' notice.

(4) The Golden Gates, Mardi Gras and Golden Gulch casinos opened in 1992, 2000 and 2003, respectively.

The Bally's Group's Twin River Casino Hotel property is located in Lincoln, Rhode Island. It is situated 10 minutes from Providence, Rhode Island and is in close proximity to the south-eastern Massachusetts market and Boston. The Twin River Casino Hotel is a full-service casino with 168,072 square feet of gaming space, 4,067 slot machines, 114 table games, which includes 23 poker tables, 14 dining establishments, seven bars and over 29,000 square feet of event space. It also hosts simulcasting of thoroughbred and greyhound racing from around the country. Additionally, the Bally's Group opened a new hotel on the Twin River Casino Hotel property in October 2018 which features 136 guest rooms. The Bally's Group also began offering sports betting at the Twin River Casino Hotel in late 2018. The Twin River Casino Hotel is open 24 hours per day.

The Bally's Group's Hard Rock Biloxi property is located in Biloxi, Mississippi. This location serves southern Mississippi and is also a Gulf Coast tourist destination. The Hard Rock Biloxi is a 1.6-acre waterfront resort with a full-service casino, including 50,984 square feet of gaming space, 983 slot machines and 55 table games, a two- tower hotel featuring 479 guest rooms, 10 dining establishments, eight bars and a 9,000 square foot theatre. It also includes nightlife options and an outdoor pool with a swim-up bar. The Bally's Group also offers sports betting at the Hard Rock Biloxi. The Bally's Group leases certain property related to this location from the State of Mississippi with a primary term of 30 years, expiring 30 September 2037, with an option to extend for an additional 30 years. Annual rent for the year ending 31 December 2020 is \$1.2 million and adjusts annually based on the increase in the consumer price index. Hard Rock Biloxi is open 24 hours per day.

The Bally's Group's Tiverton Casino Hotel property is located in Tiverton, Rhode Island and opened in September 2018. This property is located near the Rhode Island- Massachusetts border, serving both the south-eastern Massachusetts market and the Rhode Island market. The Tiverton Casino Hotel has 33,840 square feet of gaming space, 1,000 slot machines, 32 table games, five dining establishments, two bars and a hotel featuring 83 guest rooms. The Bally's Group also began offering sports betting at the Tiverton Casino Hotel in late 2018. The Tiverton Casino Hotel is open 24 hours a day.

The Bally's Group's Dover Downs property is located in Dover, Delaware. This location serves the Mid-Atlantic region. The casino is a 165,000 square foot complex with 84,075 square feet of gaming space

featuring 37 table games, 2,060 slot machines, multi-player electronic table games, a poker room, and a race and sports book operation. The hotel is a 500-room hotel with conference, banquet, ballroom and concert hall facilities. The Bally's Group has a perpetual easement to Dover Downs Raceway, the Bally's Group's harness racing track. The Bally's Group's casino offers pari-mutuel wagering on live racing from this raceway and simulcast horse races. The casino facility includes several bars, restaurants and retail outlets, all of which are located at the Bally's Group's entertainment complex situated on approximately 69 acres of owned land. When not under COVID restrictions, the Dover Downs Hotel & Casino is open 24 hours per day.

The Bally's Group's Black Hawk Casinos are located in Black Hawk, Colorado. They are in close proximity to one another along a half-mile strip of casino and casino-hotel properties in this historic mining town located approximately 40 miles from Denver, Colorado. Together, the properties contain a combined 34,632 square feet of gaming space, featuring 570 slot machines, 16 table games, a poker parlour containing 17 tables, four restaurants, four bars and one of the only parking garages in the market, with 700 spaces.

Casino KC is located in Kansas City, Missouri overlooking the Missouri River in close proximity to downtown Kansas City and the Berkeley Riverfront. The property consists of 39,788 square feet of casino space, 848 slot machines, 17 table games and two dining venues and one bar. It is located at a premier location on the riverfront near downtown and is readily accessible to suburban traffic. The Bally's Group expects to substantially reposition the casino with a transformational redevelopment plan. The Casino KC is open 24 hours per day.

Casino Vicksburg is located along the Mississippi River in Vicksburg, Mississippi. The property features 32,608 square feet of casino space, 499 slot machines, eight electronic table games, three dining venues, one bar, and an 89-room hotel. The Casino Vicksburg is open 24 hours per day.

The Bally's Group's Bally's Atlantic City property is located in Atlantic City, New Jersey situated prominently in the centre of the Atlantic City boardwalk. This iconic 83,569 square foot property includes 1,481 slots, 93 tables, eight dining venues and two bar lounge, and nightclub facilities. The property also houses a hotel with 1,214 guest rooms and suites, a spa and indoor fitness facilities and 80,000 square feet of meeting space with 28 meeting rooms, including the 12,000 square foot Ocean Ballroom. Bally's Atlantic City is open 24 hours per day.

The Bally's Group's Eldorado Resort Casino Shreveport property is located in Shreveport, Louisiana. This premier property includes 1,382 slots, 54 tables and 403 hotel rooms and 6,000 square feet of convention space. When not under COVID-19 related restrictions, Shreveport is open 24 hours per day.

The Bally's Group's Mile High USA properties are located in Aurora, Colorado. This location serves the central Colorado market, including the Denver area. Arapahoe Park is a seasonal live horse racing track with a racebook, concession stands, a bar, outside grill and retail store. It also hosts simulcasting of thoroughbred and greyhound racing from around the country. Arapahoe Park holds 13 OTB licences, certain of which it currently licences to third parties. Havana Park is an OTB site, which the Bally's Group operates in Aurora, Colorado. The Havana Park property is leased through 28 September 2022 at an annual rent of approximately \$0.2 million and contains two five-year options.

Intellectual Property

As of 19 February 2021, the Bally's Group owns 34 trademarks and has 12 pending applications for trademarks with the U.S. Patent and Trademark Office.

As part of the Bally's Group's acquisition of the Hard Rock Biloxi in July 2014, Hard Rock Biloxi entered into an amendment to the existing licence agreement with Hard Rock Hotel, Licensing, Inc., which originally provided for an initial term of 20 years through September 2025 and the option to renew for two successive ten-year terms. Under the licence agreement, the Bally's Group has the exclusive right to use the "Hard Rock" brand name in connection with, and as it relates to, the Hard Rock Biloxi property for an annual fee.

See discussion of the Bally's Group's acquisition of the Bally's trade name under "Other Strategic Initiatives – Bally's Trade Name" above.

Industry and Market Overview

The gaming industry is characterised by a high degree of competition among a large number of operators, including land-based casinos, riverboat casinos, dockside casinos, video lotteries, video gaming terminals at taverns in certain states, sweepstakes and poker machines not located in casinos, Native American gaming,

emerging varieties of Internet and fantasy sports gaming, increased sports betting and other forms of gaming in the U.S. In a broader sense, the Bally's Group's gaming operations face competition from many leisure and entertainment activities, including, for example: shopping, athletic events, television and movies, concerts and travel. Legalised gaming is currently permitted in various forms in different parts of the U.S., in several Canadian provinces and on many lands taken into trust for the benefit of certain Native Americans in the U.S. and First Nations in Canada.

The Bally's Group faces significant competition in each of the jurisdictions in which it operates. Such competition may intensify in some of these jurisdictions if new gaming operations open in these markets or existing competitors expand their operations. The Bally's Group's properties compete directly with other gaming properties in each state in which the Bally's Group operates, as well as in adjacent states. In some instances, particularly with Native American casinos, the Bally's Group's competitors pay substantially lower taxes or no taxes at all. The Bally's Group believes that increased legalised gaming in other states, particularly in areas close to its existing gaming properties and the development or expansion of Native American gaming in or near the states in which the Bally's Group operates, could create additional competition for the Bally's Group and could adversely affect the Bally's Group's operations or future development projects. See Part II (*Risk Factors*) for more information on competition.

Government Regulation

General

The gaming and racing industries are highly regulated and the Bally's Group must maintain licences and pay gaming taxes in each jurisdiction in which the Bally's Group operates in order to continue operations. Each of the Bally's Group's facilities is subject to extensive regulation under the laws, rules and regulations of the jurisdiction in which it is located. These laws, rules and regulations generally concern the responsibility, financial stability, integrity and character of the owners, managers and persons with financial interests in the gaming operations. Violations of laws or regulations in one jurisdiction could result in disciplinary action in that and other jurisdictions.

Some jurisdictions, including those in which the Bally's Group is licenced, empower their regulators to investigate participation by licencees in gaming outside their jurisdiction and require access to periodic reports respecting those gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

Under provisions of gaming laws in jurisdictions in which the Bally's Group has operations, and under the Bally's Group's organisational documents, certain of the Bally's Group's securities are subject to restrictions on ownership which may be imposed by specified governmental authorities. The restrictions may require a holder of the Bally's Group's securities to dispose of the securities or, if the holder refuses, or is unable, to dispose of the securities, the Bally's Group may be required to repurchase the securities.

Description of Governmental Regulation

The ownership, operation, and management of the Bally's Group's gaming, betting and racing facilities (generally referred to herein as "gaming") are subject to significant regulation under the laws, rules and regulations of each of the jurisdictions in which the Bally's Group operates. Gaming laws and regulations are generally based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. The continued growth and success of gaming is dependent upon public confidence, and gaming laws protect gaming consumers and the viability and integrity of the gaming industry, including prevention of cheating and fraudulent practices. Gaming laws also may be designed to protect and maximise state and local revenues derived through taxes and licensing fees imposed on gaming industry participants, as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish stringent procedures to ensure that participants in the gaming industry meet certain standards of character and fitness. In addition, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organisations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain anti-money laundering practices and procedures;
- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;

- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators;
- establish programs to promote responsible gaming; and
- enforce minimum age requirements.

Typically, a state regulatory environment is established by statute and underlying regulations and is administered by one or more regulatory agencies with broad discretion to regulate the affairs of owners, managers, and persons with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which the Bally's Group operates:

- adopt rules and regulations under the implementing statutes;
- interpret and enforce gaming laws and regulations;
- impose disciplinary sanctions for violations, including fines and penalties;
- review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- grant licences for participation in gaming operations;
- collect and review reports and information submitted by participants in gaming operations;
- in the case of Rhode Island and Delaware, collect proceeds from Bally's Group's operations and provide it with commissions based on such proceeds;
- review and approve certain transactions, such as acquisitions or change-of-control transactions of gaming industry participants, securities offerings and debt transactions engaged in by such participants; and
- establish and collect fees and taxes in jurisdictions where applicable.

Any change in the laws or regulations of a gaming jurisdiction could adversely affect Bally's Group's gaming operations.

Licensing and Suitability Determinations

Gaming laws require the Bally's Group, each of Bally's subsidiaries engaged in gaming operations, certain of the Bally's Group's directors, officers and employees, and in some cases, certain of its shareholders and holders of its debt securities, to obtain licences or findings of suitability from gaming authorities. Licences or findings of suitability typically require a determination that the applicant qualifies or is suitable to hold the licence. Gaming authorities have broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any licence, registration, finding of suitability or approval, or fine any person licenced, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Criteria used in determining whether to grant or renew a licence or finding of suitability, while varying between jurisdictions, generally include consideration of factors such as:

- the character, honesty and integrity of the applicant;
- the financial stability, integrity and responsibility of the applicant, including whether the operation is adequately capitalised in the state and exhibits the ability to maintain adequate insurance levels;
- the quality of the applicant's casino facilities;
- the amount of revenue to be derived by the applicable state from the operation of the applicant's casino;
- the applicant's practices with respect to minority hiring and training; and
- the effect on competition and general impact on the community.

In evaluating individual applicants, gaming authorities consider the individual's business experience and reputation for good character, the individual's criminal history and the character of those with whom the individual associates.

Some gaming jurisdictions limit the number of licences granted to operate casinos within the state, and some states limit the number of licences granted to any one gaming operator. Licences under gaming laws are generally not transferable without regulatory approval. Licences in most of the jurisdictions in which the Bally's Group conducts gaming operations are granted for limited durations and require renewal from time to time. There can be no assurance that any of the Bally's Group's licences will be renewed. The failure to renew any of the Bally's Group's licences could have adversely affect the Bally's Group's gaming operations.

In addition to Bally's and its direct and indirect subsidiaries engaged in gaming operations, gaming authorities may investigate any individual who has a material relationship to or material involvement with any of the Bally's Group's entities to determine whether such individual is suitable or should be licenced. The Bally's Group's officers, directors and certain key employees must file applications with the gaming authorities and may be required to be licenced, qualify or be found suitable in many jurisdictions. Gaming authorities may deny an application for licensing for any cause which they deem reasonable. Qualification and suitability determinations require submission of detailed personal and financial information followed by a thorough investigation. The applicant must pay all the costs of the investigation. Changes in licenced positions must be reported to gaming authorities and in addition to their authority to deny an application for licensure, qualification or a finding of suitability, gaming authorities have jurisdiction to disapprove a change in a corporate position.

If one or more gaming authorities were to find that an officer, director or key employee fails to qualify or is unsuitable for licensing or unsuitable to continue having a relationship with the Bally's Group, the Bally's Group would be required to sever all relationships with such person. In addition, gaming authorities may require it to terminate the employment of any person who refuses to file appropriate applications.

Moreover, in many jurisdictions, certain of the Bally's Group's shareholders may be required to undergo a suitability investigation similar to that described above. Many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of Bally's voting securities, typically 5 per cent., to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Most gaming authorities, however, allow an "institutional investor" to apply for a waiver or reduced disclosure obligation. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor for passive investment purposes only, and not for the purpose of causing, directly or indirectly, the election of a member of the Bally's Board, any change in Bally's corporate charter, bylaws, management, policies or operations, or those of any of its gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding Bally's voting securities for passive investment purposes only. Even if a waiver or reduced disclosure obligation is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

Generally, any person who fails or refuses to apply for a finding of suitability or a licence within the prescribed period after being advised that it is required by gaming authorities may be denied a licence or found unsuitable, as applicable. Any shareholder found unsuitable or denied a licence and who holds, directly or indirectly, any beneficial ownership of Bally's voting securities beyond such period of time, as may be prescribed by the applicable gaming authorities, may be guilty of a criminal offense. Pursuant to the By Laws, the Bally's Board were otherwise to determine that a shareholder is an unsuitable person under applicable gaming laws, then the Corporation may, subject to compliance with the bylaws, redeem such shareholder's voting securities. In addition, in these circumstances, until such voting securities are owned by suitable shareholders:

- the Corporation would not be required or permitted to pay any dividend, payment, distribution or interest with respect to such voting securities,
- the unsuitable shareholder holder would not be entitled to exercise any voting rights in respect of such voting securities,
- the Corporation would not pay any remuneration in any form to the holder of such voting securities (other than, if applicable, the redemption price for such securities),
- no unsuitable person could continue as a manager, officer, partner or director of Bally's or any of its subsidiaries, and
- all other rights (including economic and voting rights) of such unsuitable persons in respect of the voting securities would be suspended.

The gaming jurisdictions in which the Bally's Group operates also require that suppliers of certain goods and services to gaming industry participants be licenced and require it to purchase and lease gaming equipment, and certain supplies and services only from licenced suppliers.

Violations of Gaming Laws

If any member of the Bally's Group violates applicable gaming laws, its gaming licences could be limited, conditioned, suspended or revoked by gaming authorities, and the Bally's Group and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate the Bally's Group's gaming properties, or in some jurisdictions, take title to its gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or states. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by the Bally's Group of applicable gaming laws could adversely affect its gaming operations.

Some gaming jurisdictions prohibit certain types of political activity by a gaming licensee, its officers, directors and key people. A violation of such a prohibition may subject the offender to criminal and/or disciplinary action.

Reporting and Recordkeeping Requirements

The Bally's Group is required periodically to submit detailed financial and operating reports and furnish any other information about members of the Bally's Group which gaming authorities may require. Under federal law, the Bally's Group is required to record and submit detailed reports of currency transactions involving greater than \$10,000 at its casinos as well as any suspicious activity that may occur at such facilities. Certain jurisdictions require logging, reporting, and/or review of transactions and winning wagers over certain amounts. The Bally's Group is required to maintain a current stock ledger which may be examined by gaming authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. Gaming authorities may require certificates for Bally's securities to bear a legend indicating that the securities are subject to specified gaming laws. In certain jurisdictions, gaming authorities have the power to impose additional restrictions on the holders of Bally's securities at any time.

Review and Approval of Transactions

Substantially all material loans, leases, sales of securities and similar financing transactions by member of the Bally's Group must be reported to and in some cases approved by gaming authorities. Neither the Bally's Group nor any of its subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of any member of the Bally's Group must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control. Gaming authorities may also require controlling shareholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licenced as part of the approval process relating to the transaction.

Because of regulatory restrictions, the Bally's Group's ability to grant a security interest in any of its gaming assets may be limited and subject to receipt of prior approval by certain gaming authorities. A pledge of the stock of a subsidiary holding a gaming licence and the foreclosure of such a pledge may be ineffective without the prior approval of gaming authorities in certain jurisdictions. Moreover, Bally's subsidiaries holding gaming licences may be unable to guarantee a security issued by an affiliated or parent company pursuant to a public offering, or pledge their assets to secure payment of the obligations evidenced by the security issued by an affiliated or parent company, without the prior approval of certain gaming authorities.

Some jurisdictions also require the Bally's Group to file a report with the gaming authority within a prescribed period of time following certain financial transactions and the offering of debt securities. Certain gaming authorities reserve the right to order such transactions rescinded.

Certain jurisdictions require the implementation of a compliance review and reporting system created for the purpose of monitoring activities related to Bally's continuing qualification. These plans require periodic reports to the regulatory authorities.

Licence Fees and Gaming Taxes

The Bally's Group pays substantial licence fees and taxes in many jurisdictions, including some of the counties, cities and towns in which its operations are conducted, in connection with its casino gaming operations, computed in various ways depending on the type of gaming or activity involved and the jurisdiction where its operations are conducted. Depending upon the particular fee or tax involved, these fees and taxes are payable with varying frequency. Licence fees and taxes are based upon such factors as:

- a percentage of the gross gaming revenues received;
- the number of gaming devices and table games operated; and/or
- one time fees payable upon the initial receipt of licence and fees in connection with the renewal of licence.

In many jurisdictions, gaming tax rates are graduated, such that they increase as gross gaming revenues increase. Furthermore, tax rates are subject to change, sometimes with little notice, and such changes could have adversely affect the Bally's Group's gaming operations. A live entertainment tax is also paid in certain jurisdictions by casino operations where entertainment is furnished in connection with the selling or serving of food or refreshments or the selling of merchandise.

In addition to taxes specifically unique to gaming, the Bally's Group is required to pay all other applicable taxes such as income and property taxes.

Rhode Island Commissions

In Rhode Island, the Bally's Group's gaming operations are subject to extensive regulation by the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue. Similar to Delaware and unlike the other jurisdictions in which the Bally's Group operates, Rhode Island does not have a traditional tax on gaming operations. The state receives all of the gaming win that comes into the Bally's Group's Rhode Island operations and then pays it a percentage of the gaming win. As a result, the Bally's Group's revenue from Rhode Island operations reflects only the net amount the Bally's Group is paid of the total gaming win from its Rhode Island casinos. As of 31 December 2020, Twin River Casino Hotel is entitled to a 28.85 per cent. share of VLT revenue on the initial 3,002 units and a 26.00% share on VLT revenue generated from units in excess of 3,002. Tiverton Casino Hotel is and Newport Grand was entitled to receive a percentage of VLT revenue that is equivalent to the percentage received by Twin River Casino Hotel. Twin River Casino Hotel and Tiverton Casino Hotel are entitled to an 83.5% share of table games revenue.

Delaware Commissions

In Delaware, the Bally's Group's gaming operations are subject to extensive regulations related to its operations by the Delaware State Lottery Office, Delaware's Department of Safety and Homeland Security, Division of Gaming Enforcement and the Delaware Harness Racing Commission. Similar to the Rhode Island jurisdiction, Delaware does not have a traditional tax on gaming operations. The Delaware State Lottery Office sweeps the win from the casino operations, collects the State's share of the win and the amount due to the vendors under contract with the State who provide the slot machines and associated computer systems, collects the amount allocable to purses for harness horse racing and remits the remainder to the Bally's Group as its commission. As a result, the Bally's Group's revenue from Delaware operations reflects only the net amount the Bally's Group is paid of the total gaming win from its Delaware casino and raceway. As of 31 December 2020, Dover Downs was entitled to an approximate 42% share of VLT revenue and 80% share of table games revenue.

Operational Requirements

In most jurisdictions, the Bally's Group is subject to certain requirements and restrictions on how the Bally's Group must conduct its gaming operations. In some states, the Bally's Group is required to give preference to local suppliers and include minority and women-owned businesses in construction projects as well as in general vendor business activity. Similarly, the Bally's Group may be required to give employment preference to minorities, women and in-state residents in certain jurisdictions.

Some gaming jurisdictions also prohibit cash distributions from a gaming operation, except to allow for the payment of taxes, if the distribution would impair the financial viability of the gaming operation. Moreover, many jurisdictions require a gaming operation to maintain insurance and post bonds in amounts determined by their gaming authority. In addition, the Bally's Group's ability to conduct certain types of games, introduce new games or move existing games within its facilities may be restricted or subject to regulatory

review and approval. Some of the Bally's Group's operations are subject to restrictions on the number of gaming positions the Bally's Group may have and the maximum wagers allowed to be placed by its customers.

The Bally's Group's operating properties are also subject to various rules and regulations related to the prevention of financial crimes and combating terrorism, including the U.S. Patriot Act of 2001. These rules and regulations require the Bally's Group to, among other things, implement policies and procedures related to anti-money laundering, suspicious activities, currency transaction reporting and due diligence on customers. Although the Bally's Group has policies and procedures designed to comply with these rules and regulations, to the extent they are not fully effective or do not meet heightened regulatory standards or expectations, the Bally's Group may be subject to fines, penalties, restrictions on certain activities, reputational harm, or other adverse consequences.

Riverboat Casinos

In addition to all other regulations generally applicable to the gaming industry, certain of the Bally's Group's riverboat casinos are also subject to regulations applicable to vessels operating on navigable waterways, including regulations of the U.S. Coast Guard, or alternative inspection requirements. These requirements set limits on the operation of the vessel, mandate that it must be operated by a minimum complement of licenced personnel, establish periodic inspections, including the physical inspection of the outside hull, and establish other mechanical and operations rules. In addition, the riverboat casinos may be subject to future U.S. Coast Guard regulations, or alternative security procedures, designed to increase homeland security which could affect some of the Bally's Group's properties and require significant expenditures to bring such properties into compliance.

Racetracks

The Bally's Group conducts horse racing operations at its racetracks in Aurora, Colorado and Dover, Delaware and operate additional OTB locations throughout Colorado. Regulations governing the Bally's Group's horse racing operation in Colorado and Delaware are administered separately from the regulations governing gaming operations, with separate licences and licence fee structures. The racing authorities responsible for regulating the Bally's Group's racing operations have broad oversight authority, which may include: annually reviewing and granting racing licences and racing dates, approving the opening and operation of OTB facilities, approving simulcasting activities, licensing all officers, directors, racing officials and certain other employees of a racing licensee, and approving certain contracts entered into by a racing licensee affecting racing, pari-mutuel wagering, account wagering and OTB operations.

Sports Book Wagering & Online Wagering

The Bally's Group and its partners are subject to various federal, state and international laws and regulations that affect its sports wagering and online wagering businesses. Additional laws in any of these areas are likely to be passed in the future, which could result in impact to the ways in which the Bally's Group and its partners are able to offer sports wagering and online wagering in jurisdictions that permit such activities.

Interactive Business

The Bally's Group is subject to various federal, state and international laws and regulations that affect its interactive business, including those relating to the privacy and security of customer and employee personal information and those relating to the Internet, behavioural tracking, mobile applications, advertising and marketing activities, sweepstakes and contests. Additional laws in all of these areas are likely to be passed in the future, which could result in significant limitations on or changes to the ways in which the Bally's Group can collect, use, host, store or transmit the personal information and data of its customers or employees, communicate with its customers, and deliver products and services, or may significantly increase its compliance costs. As the Bally's Group's business expands to include new uses or collection of data that is subject to privacy or security regulations, its compliance requirements and costs will increase and the Bally's Group may be subject to increased regulatory scrutiny.

Some of the Bally's Group's social gaming products and features are based upon traditional casino games, such as slots and table games. Although the Bally's Group does not believe these products and features constitute gambling, it is possible that additional laws or regulations may be passed in the future that would restrict or impose additional requirements on the Bally's Group's social gaming products and features.

The Regulatory Agreement

On 13 November 2019, certain of the Bally's Group's subsidiaries, the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue amended and restated the Bally's Group's Regulatory Agreement (the "**Regulatory Agreement**"), replacing the previous regulatory agreement dated 1 July 2016. The Regulatory Agreement sets forth certain requirements with respect to the Division of Lotteries of the Rhode Island Department of Revenue and the Rhode Island Department of Business Regulation's regulatory oversight of the Bally's Group. The Regulatory Agreement contains financial and other covenants that, among other things, (1) restrict the acquisition of stock and other financial interests in the Bally's Group, (2) relate to the licensing and composition of members of the Bally's Group's management and Board of Directors (the "**Board**"), (3) prohibit certain competitive activities and related-party transactions, and (4) restrict the Bally's Group's ability to declare or make restricted payments (including dividends), or incur additional indebtedness, or take certain other actions, if the Bally's Group's leverage ratio exceeds 4.75 to 1.00 (in general being gross debt divided by EBITDA as defined in the Regulatory Agreement). This ratio level is subject to potential reduction after 30 June 2021.

The Regulatory Agreement also provides affirmative obligations, including setting a minimum number of employees that the Bally's Group must employ in Rhode Island and providing the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue with periodic information updates about the Bally's Group. Among other things, the Regulatory Agreement prohibits the Bally's Group and the Bally's Group's subsidiaries from owning, operating, managing or providing gaming specific goods and services to any properties in Rhode Island (other than Twin River Casino Hotel and Tiverton Casino Hotel), Massachusetts, Connecticut or New Hampshire. Termination of the Regulatory Agreement may be effected by the Bally's Group if it is no longer involved in the ownership or management of the Lincoln or Tiverton facilities, among other events. A failure to comply with the provisions in the Regulatory Agreement could subject the Bally's Group to injunctive or monetary relief, payments to the Rhode Island regulatory agencies and ultimately the revocation or suspension of the Bally's Group's licences to operate in Rhode Island.

On 6 October 2020, the Bally's Group and the Rhode Island regulatory authorities amended the Regulatory Agreement to clarify the leverage ratio and capital expenditure requirements in light of COVID-related closures and curtailments. Under the amendments, in general, the Bally's Group is authorised to establish Adjusted EBITDA amounts by reference to pre-COVID performance levels, by property, for purposes of calculating compliance with the maximum leverage ratio, until such time as that property has no further COVID-related restrictions or its performance exceeds pre-COVID levels. This method of calculating Adjusted EBITDA for purposes of determining the leverage ratio applies to all existing properties as well as all properties acquired in the future. In addition, the amendments allowed the Bally's Group to defer required capital expenditures from 2020 until 2021, and provides the State of Rhode Island discretion to further defer some of the required capital expenditures into 2022 depending on capital expenditure levels in 2021 and other factors.

Other Laws and Regulations

The Bally's Group's businesses are subject to various federal, state and local laws and regulations in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, food service, smoking, environmental matters, employees and employment practices, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect the Bally's Group's operating results.

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

Employees

Employee Relations, Diversity and Social Inclusion

The Bally's Group prides itself on providing an outstanding guest experience and recognises that it must attract and retain employees who are committed to this vision. The Bally's Group supports the professional development of its employees through training programs, scholarships, wellness initiatives and tuition

reimbursement opportunities. The Bally's Group also has programs in place to recognise its employees' contributions to the workplace to reinforce that the Bally's Group values them and their contributions. To promote and foster a culture of inclusion, the Bally's Group's properties have hiring initiatives that are aimed at increasing diversity and promoting gender equality and the Bally's Group welcomes employees and guests of all backgrounds. The Bally's Group believes in the importance of giving back to its communities and has several philanthropic initiatives, including fundraising events to support local charities and organisations and community service events.

Labour Relations

As of 19 February 2021, the Bally's Group has approximately 6,106 employees. Most of the Bally's Group's employees in Rhode Island and New Jersey are represented by a labour union and are subject to collective bargaining agreements with the Bally's Group. As of such date, the Bally's Group has 19 collective bargaining agreements covering approximately 2,281 employees. Three collective bargaining agreements are scheduled to expire in 2021 and the Bally's Group is currently renegotiating one collective bargaining agreement that has expired, covering 806 employees. There can be no assurance that the Bally's Group will be able to extend or enter into replacement agreements. If the Bally's Group is able to extend or enter into replacement agreements, there can be no assurance as to whether the terms will be on comparable terms to the existing agreements. Employees in Delaware, Mississippi, Missouri, Louisiana and Colorado are not represented by any labour union.

Corporate Information

The Corporation was incorporated in Delaware on 1 March 2004 and its principal executive offices are located at 100 Westminster Street, Providence, Rhode Island 02903, and its telephone number is (401) 475-8474. The Bally's Group's website address is www.ballys.com. The information that is contained in, or that is accessed through, the website is not part of this filing.

Available Information

As a publicly traded company the Corporation is required to file annual, quarterly and current reports, proxy statements and other information with the United States Securities and Exchange Commission (the "SEC"). These filings are also available on the SEC's website at www.sec.gov. The Corporation makes its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, its Current Reports on Form 8-K, and all amendments to these reports, available free of charge through its corporate website as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. In addition, the Bally's Group's 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 its website, www.ballys.com.

PART IX

INFORMATION ON GAMESYS

The following information should be read in conjunction with the information appearing elsewhere, or incorporated by reference, in this Prospectus, including the financial and other information in Part XVI (“Gamesys Financial Information”). The financial information included in this Part IX (“Information on Gamesys”) has been extracted without material adjustment from Part XVI (“Gamesys Financial Information”), or from the accounting records of the Gamesys Group, which formed the underlying basis of the financial information referred to in Part XVI (“Gamesys Financial Information”).

1. OVERVIEW OF GAMESYS

Gamesys is listed on the premium listing segment of the Main Market of the London Stock Exchange under the ticker symbol “GYS” and is the parent company of an online gaming group that provides entertainment to a global consumer base. Through its subsidiaries, Gamesys currently offers bingo and casino games to its players using brands which include Jackpotjoy, Virgin Games, Botemania, Vera&John, Heart Bingo, Megaways, Rainbow Riches Casino and Monopoly Casino, and focuses on building its diverse portfolio of distinctive and recognisable brands that deliver best-in-class player experience and gaming content.

As a leading international online gaming operator, Gamesys’ market position and diverse customer base (both geographically and demographically) positions Gamesys strongly against its competitors in addition to providing Gamesys with significant opportunities to deliver further growth. Gamesys’ core brands have historically demonstrated significant rates of customer retention, achieved through a combination of Gamesys’ diverse and engaging range of tailored content, strong customer relationship management and player engagement capabilities and its multi-brand strategy, which enables Gamesys to offer players a bespoke proposition catering for different player demographics and styles of play, as well as providing Gamesys with cross-marketing opportunities to improve the ultimate value derived from players.

Gamesys is well-capitalised and has demonstrated a strong track record of cash generation, with operating cash flow of £214.4 million for the year ended 31 December 2020. During the same period, Gamesys achieved annual revenues of £727.7 million and an adjusted EBITDA of £206.2 million.

This strong track record for the year ended 31 December 2020 is reflected in Gamesys’ four key geographic markets. The UK is Gamesys’ largest market accounting for c.58% of overall Gamesys Group revenue in 2020 (£423.3m). This growth reflects Gamesys’ successful multi-brand strategy. Strong performances from Virgin Games, Monopoly Casino and Rainbow Riches Casino complemented Gamesys’ other brands in ensuring an increased average of active customers by 24% over 2019. Asia is Gamesys’ highest growth region and accounted for 30% of overall Gamesys Group revenue in 2020 (£218.3m). The launch of InterCasino to support the established market leader Vera&John, complemented by continued investment in content, marketing and customer service, helped Gamesys to continue its upward trajectory in Asia. Europe represented 9% of overall Gamesys Group revenue (£68.0m) with Spain being Gamesys’ largest market in Europe. The rest of the world (“ROW”) accounted for 3% of overall Gamesys Group revenue (£18.1m). The US is Gamesys’ largest territory in the ROW having had a presence in New Jersey for seven years.

2. REGULATION OF GAMESYS

The online gambling industry is highly regulated. Online gambling is generally authorised in limited circumstances under licence, with gaming authorities generating revenue from licence fees and taxation. Some jurisdictions prohibit gaming in all or certain forms. The Gamesys Group does not supply its gaming offerings into jurisdictions where there are prohibitions that clearly apply to its activities and the business models it has adopted.

The Gamesys Group operates in a complex environment, with jurisdictions adopting inconsistent approaches to regulation. In keeping with the industry generally, the Gamesys Group has established a core operational presence within the “point-of-supply” licensing jurisdictions of Malta and Gibraltar, as detailed below. The Gamesys Group will then derive revenue from players who are located in a variety of jurisdictions, having established first the extent to which such jurisdictions’ laws and regulations apply and/or are enforceable, while also ensuring that their deriving such revenue is consistent with their ongoing compliance with the applicable laws in the licensing jurisdictions themselves.

While a number of European jurisdictions have enacted legislation that specifically criminalises the activity of an unlicensed online gambling operator and have done so through legislation that is no longer subject to any challenge through any subsequent due process (for example, such a challenge could be brought where a

piece of legislation has been enacted in contravention of previously issued advice from the European Commission), not all jurisdictions approach the industry in this way.

In certain territories, the validity of certain legislation may be subject to potential future challenge (such as an aforementioned EU law challenge). Furthermore, there may be arguments that taking business from players located in a particular jurisdiction without holding a local licence from such a jurisdiction would not necessarily contravene local laws, for example, on the basis that laws have not been updated to embrace remote supply and/or may not operate in such a way to be applied extra-territorially.

Currently, the significant international operations undertaken by the Gamesys Group are licenced in Great Britain, Gibraltar, the Isle of Man, Malta, Spain, Sweden and in New Jersey in the United States. Gibraltar, the Isle of Man and Malta are all key interactive gaming jurisdictions with comprehensive and mature interactive gaming policies and regulatory frameworks. As a result, Gibraltar, the Isle of Man and Malta host and licence many of the industry's largest operators.

The Gamesys Group holds:

- B2B and B2C licences issued by the GBGC;
- a Class I (B2C) licence issued by the Malta Gaming Authority;
- a licence for online games issued by the Spelinspektionen in Sweden;
- a remote gaming licence issued by the Gibraltar Licensing Authority;
- a number of general and singular licences issued by the Directorate General for the Regulation of Gambling in Spain; and
- a Transactional Waiver issued by the Division of Gaming Enforcement in New Jersey, USA.

Malta

On 1 August 2018, the Maltese Gaming Act (Chapter 583 of the Laws of Malta) (the “**Maltese Gaming Act**”) came into force. The current legal structure is presented as subject-oriented (definitions, authorisations, taxes and contributions, player protection) rather than product or sector specific (land-based gaming, online gaming, online controlled skills games etc.) as was the case with previous legislation.

The provisions regulating any one type of activity are spread throughout the main Maltese Gaming Act and supplementary regulations. This legal set-up covers all types of activities from land-based casinos to online sports betting, casino and skill games.

Any person who operates, promotes, sells, supplies or manages interactive gaming in or from Malta must obtain the appropriate licence from the MGA. Two types of licence are available in respect of remote gambling activities, namely:

- a B2B licence, what is known as Gaming Services Licence; and
- a B2C licence, what is known as a Critical Supply Licence.

Under the Maltese Gaming Act, gaming duty has been substituted by monthly compliance contributions which, separately to the licences' fees, are payable in Malta and calculated on the Gamesys Group's revenue from online gaming offered through these gaming licences. The Gamesys Group also pays applicable gaming duty or VAT in those jurisdictions on some or all of the online gaming offerings in those territories. Gaming tax of 5% on any revenue generated from Maltese players is also charged in addition to the monthly compliance contribution.

In accordance with EU law, the Gamesys Group's Maltese gaming licences entitle the holders of such licences to provide online gaming services to end users located in certain other EU member states in compliance with established EU rules and principles of the free movement of services, unless those countries have their own national regulatory and licensing regime that is compatible with those same European Union rules and principles and, in particular, the core principles of the TFEU.

Gibraltar

The Gamesys Group operates through a Gibraltarian remote gaming licence (RGL No. 046) granted to Gamesys Gibraltar under the provisions of the Gibraltar Gambling Act 2005 (the “**Gibraltar Act**”) and which was originally obtained on 1 July 2010 and last renewed on 29 March 2020 for a further five-year term subject to annual renewal.

The Gibraltar Gambling Commissioner exercises regulatory oversight of the industry and is required, under section 6(4) of the Gibraltar Act, to ensure that licence holders act in accordance with the provisions of the Gibraltar Act, the terms of their licence agreements (and the provisions of the schedules to such licence agreements) and in a manner which maintains the good reputation of Gibraltar.

The Gibraltar Act is undergoing a lengthy period of review. It is expected that the Gibraltar Act will be updated to modernise, strengthen and enhance the licensing and regulatory framework. In particular, it is envisaged that additional enforcement provisions will be introduced as well as new classes of licence for gambling support services, including software content providers (some of which are already licenced in the jurisdiction under the current framework).

Great Britain

As of 1 November 2014, operators who know, or should know, that their facilities for gambling are being used by players located in Great Britain must be licenced by the GBGC in order to avoid committing an offence under the Gambling Act 2005 (as amended by the Gambling (Licensing and Advertising) Act 2014) (the “**GB Gambling Act**”).

In carrying out its functions, the GBGC is under a statutory duty to pursue and have regard to the licensing objectives set out in the GB Gambling Act:

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- ensuring that gambling is conducted in a fair and open way; and
- protecting children and other vulnerable people from being harmed or exploited by gambling.

The type of remote operating licence required depends on the type of gambling activity offered. A licence can cover more than one type of activity. The Gamesys Group holds the requisite remote bingo, remote casino (including poker), remote general betting standard – real event, and gambling software operating licences.

In addition to the operator’s remote operating licence, any individual responsible for a key management function (which includes overall strategy and delivery of gambling operations, financial planning, control and budgeting, marketing and commercial development, regulatory compliance and gambling-related IT provision and security) must apply for a personal management licence. The GBGC may identify other individuals within management who it will also require to hold a personal management licence.

Attached to licences are general licence conditions imposed by the GBGC under powers granted to it by the GB Gambling Act together with any licence conditions specific to operators or to a class of operator. Also attached to the licence are codes of practice which cover the manner in which facilities for gambling are provided. Together, the licence conditions and codes of practice are known as the Licence Conditions and Codes of Practice. They are written and administered by the GBGC. GBGC-licenced operators will also need to ensure that their software meets the technical requirements set out in the Remote Gambling and Software Technical Standards.

In general, an operating licence issued by the GBGC is granted on an indefinite basis. However, a licence holder is required to pay annual licence fees to maintain its licence. Failure to pay the licence fee may lead to the revocation of the licence.

At present, Gamesys Operations Limited holds a remote gambling operating licence and is licenced for ‘Bingo’, ‘Casino’ and ‘General Betting Standard – Real Event’. Gamesys Limited is also licenced by the GBGC and holds a remote gambling software licence.

In December 2020, the UK Government commenced a review of the GB Gambling Act. The objectives of the review are to examine whether it is necessary to amend gambling legislation and/or regulation in Great Britain to reflect the changes to the gambling landscape since 2005 (with particular regard to technological advance), ensure that there is an appropriate balance between consumer freedoms and choice, on the one hand, and the prevention of harm to vulnerable groups, on the other, and to ensure that consumers are suitably protected whenever they gamble.

The UK Government’s review of the GB Gambling Act is extensive in scope. Key areas under review are:

- the effectiveness of the existing online protections in preventing gambling harm and an evidence-based consideration of, by way of example, imposing greater control on online product design such as stake, speed and prize limits and the introduction of deposit, loss and spend limits;

- the benefits or harms caused by allowing licenced gambling operators to advertise and make promotional offers and the positive or negative impact of gambling sponsorship arrangements across sports, esports and other areas;
- the effectiveness of the regulatory system currently in place, including consideration of whether the GBGC has sufficient investigative, enforcement and sanctioning powers both to regulate the licenced market and address the unlicenced market;
- the availability and suitability of redress arrangements in place for an individual consumer who considers it may have been treated unfairly by a gambling operator, including consideration of the introduction of other routes for consumer redress, such as a gambling ombudsman; and
- the effectiveness of current measures to prevent illegal underage gambling and consideration of what extra protections may be needed for young adults in the 18-25 age bracket.

The UK Government launched a 16-week call for evidence alongside the commencement of its review into the GB Gambling Act. The call for evidence closed on 31 March 2021. The UK Government's findings will be informed by the data and evidence from the call for evidence. It is anticipated that the UK Government will issue its conclusions and any proposals to amend the GB Gambling Act could follow later in 2021.

Spain

The Spanish gambling regulator (the "Directorate General for the Regulation of "Gambling", or "DGOJ") granted to Gamesys Spain, S.A. (formerly known as Gamesys Spain PLC) the licences detailed herein, under the provisions of State Act no. 13/2011 dated 27 May 2011 on the Regulation of Gambling Activities (the "RGA"). JPJ Spain Operations S.A. (formerly known as JPJ Spain PLC) and Games Spain Operations, S.A. (formerly known as Juegos España Plc) likewise hold licences issued under the provisions of the RGA detailed herein.

Under the Spanish legislation, gambling activities are regulated at two levels:

- gambling activities that are offered at a national level (i.e. the same gambling product may be accessed to or from any location within the Spanish territory) are regulated by the RGA; and
- gambling activities, the scope of which is limited just to the territory of a given region (i.e. traditional brick-and-mortar gambling activities) are regulated by the regulations set forth by the corresponding regional authorities.

Under this system, online gambling activities and national lotteries are governed by the RGA, while traditional gambling activities are regulated at a regional level.

Article 9 of the RGA states that operators offering their gambling activities in Spain shall be required to obtain the licences defined by law in order to operate this type of activity. From a Spanish regulatory perspective, "gambling" includes betting, poker, casino games and other games such as bingo or supplementary games. Under the same regime, an "operator" is an entity that has its revenue connected with the exploitation of gambling in Spain and the gambling activities offered to Spanish residents operated or commercialised by that entity.

Any licenced operator in Spain must hold two types of licence:

- a general licence that covers abstract and wide categories of games (namely there are 3 types of general license, those covering the offering of betting, contests and "other games" (i.e. all other games that may be offered under the Spanish regulations). General licenses can only be applied for if a specific licensing window is open (licensing windows have been opened approximately every 3 years since the beginning of the gambling regulation in 2011); and
- a singular licence that covers each specific game to be offered by the operator. At present, under the "betting" general licences the following singular licences are available: (a) sport pool betting; (b) horseracing pool betting; (c) sport fixed-odds betting; (d) horseracing fixed-odds betting; (e) other fixed-odds betting, covering any other event that does not qualify as a sport or horseracing event such as social, political or entertainment events and/or other activities such as hound racing; (f) sport exchange betting; (g) horseracing exchange betting; and (h) other exchange betting. Under the "other games" general licences, operators may apply and operate the singular licences for the following games: (i) poker; (ii) roulette; (iii) blackjack; (iv) baccarat; (v) slot machine games; (vi) bingo; and (vii) supplementary games (e.g. traditional Spanish card games). Finally, under the "contests" general

licence, operators must obtain a singular licence covering just contests. Singular licences can be applied for at any time by an operator as long as the general licence covering such specific game is in force.

General licences have a 10-year term and are renewable (as long as the operator in question still fulfils the applicable requirements). Singular licences have different terms depending on the games they are related to: three years (in the case of blackjack, roulette, baccarat and horseracing fixed-odds betting), or five years (in the case of the rest of games). As in the case of general licences, singular licences are renewable.

Licensed operators are required to provide a financial guarantee to cover their obligations derived from the provision of gambling. The guarantee must remain in force during the entire period of validity of an operator's general licence. Initially the financial guarantee to be filed is of €2.0 million per general licence, an amount that may vary in the following years depending on the actual turnover of the operator in Spain.

At present, Gamesys Spain, S.A. holds a general licence in Spain for the operation of "other games", as well as singular licences related to bingo, slot machine games, blackjack and roulette. Games Spain Operations, S.A. holds a general licence for "other games" and a general licence for "contests" as well as individual licences related to roulette, blackjack and slot machine games with the Directorate General for the Regulation of Gambling in Spain. In addition, JPY Spain Operations S.A. holds general licences in Spain for the operation of "other games" and "betting".

Sweden

The Swedish Gambling Act came into force on 1 January 2019, introducing a licensing regime applicable to all gambling for money provided in Sweden (including in relation to offshore gambling services offered via the internet to Swedish consumers). Private commercial entities are able to obtain licences to provide online casinos, online betting, online poker, land-based sports betting and land-based horse-race betting. On 14 December 2018, the Gamesys Group was awarded a licence for commercial online gambling, effective 1 January 2019. The licence is valid until 31 December 2023 unless renewed.

USA (New Jersey)

Gamesys US LLC and Gamesys Limited each were holders of a "Casino Service Industry Enterprise" licence with the DGE in New Jersey, USA (Nos. 374-50 and 373-50) granted by the DGE on 4 June 2015 (Order No. 1249) in accordance with the provisions of the New Jersey Casino Control Act, as amended in 2013, to authorise remote gambling. The licences were voided on 26 September 2019 as a result of a change of ownership, but on that date the DGE granted a transactional waiver order (Order No. 2401903) permitting Gamesys US LLC and Gamesys Limited to continue to operate in New Jersey pending issuance of new licence. The transactional waiver order was valid for six months and is renewable for additional six-month terms upon submission of a petition for renewal. On 17 March 2020, the transactional waiver order was extended to 1 May 2020 (Order No. 2014) and was renewed on 28 July 2020 for a term expiring 26 March 2021 (Order No. 0312001). On 24 March 2021, the transactional waiver order was extended for a term expiring 26 September 2021 (Order No. 0812103). The transactional waiver order permits Gamesys US LLC and Gamesys Limited to provide gaming-related services to casinos and remote gambling operators.

Remote gambling is regulated in the State of New Jersey in accordance with the New Jersey Casino Control Act, N.J.S.A. 5:12-1, et seq. as amended in February 2013 by P.L.2013, c.27 (entitled "An act authorizing Internet gaming at Atlantic City casinos under certain circumstances and amending and supplementing the "Casino Control Act") (the "**Casino Control Act**"). Authorisation to offer remote gambling expires 10 years from the operative date established by the DGE.

As a result of a provision in the New Jersey State Constitution, all casino gambling must occur within the physical boundaries of the city of Atlantic City, New Jersey. In order to comply with this constitutional requirement, the Casino Control Act deems remote gambling to occur where the servers are located and thus requires all remote gambling servers to be located within a casino or other authorised location within Atlantic City. In order to comply with the requirements of US federal law that generally prohibits interstate online gambling in violation of the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. §5362, et seq., the Casino Control Act requires all remote gambling patrons to be physically located within the State of New Jersey.

The amended Casino Control Act authorises each land-based casino licensee to apply for an Interactive Gaming Permit which entitles each casino to offer up to five independent remote gambling brands, or "skins". Each operator of a "skin", as well as anyone supplying gaming-related goods or services to the casino or remote gambling operator, must be issued a Casino Service Industry Enterprise ("**CSIE**") licence.

A CSIE licence is valid for five years and renewable for additional five-year terms upon resubmission of information and documentation required by the DGE.

An applicant for a CSIE licence must submit detailed disclosures on behalf of the applicant company, its intermediary companies and holding company, shareholder entities, and a variety of individuals, including directors, officers and key employees of each of the foregoing entities, as well as certain individual indirect shareholders. Business disclosures include corporate structure, commercial history, legal matters, corporate financial information and other company books and records. Personal disclosures include detailed personal and family information, educational and professional background, legal matters, and personal financial information. Individual applicants must also submit fingerprints. The DGE conducts a thorough investigation of each entity and all individuals, including in-person interviews and document reviews. A detailed investigative report is then presented to the Director of the DGE along with a recommendation for issuing the licence. Applicants for a licence, as well as licencees, have an ongoing obligation to provide updated information to the DGE concerning any material matter that may affect the good character, honesty and integrity of the entities and/or individuals.

Other Markets

All the gambling regulators that oversee the operations of the Gamesys Group's subsidiaries have acknowledged that remote gambling operators are required to assess the applicability and enforceability of any laws and regulations that may impact their activities, including the laws and regulations in the jurisdictions from where the Gamesys Group derives revenue and yet in which no gambling licences are held. The Gamesys Group's subsidiaries have done so.

Japan

In relation to the Japan-facing market, the Gamesys Group provides platform and content services to a third-party B2C remote gambling operator, licenced in Curaçao in the Netherlands Antilles, called Breckenridge Curaçao B.V. ("**Breckenridge**"). Breckenridge is supported by the Gamesys Group's licensing of certain brands and the provision of ancillary services.

The Japanese Penal Code generally prohibits gambling (save for certain land-based sports and lotteries). Such prohibition is applicable to individuals rather than companies. Gamesys has been advised by local counsel that there is no Japanese law which expressly deals with internet gambling provided by offshore operators. Local counsel has further advised that, although the supplies are made from outside Japan, sufficient nexus may be created for Japanese law to apply if the effects of such supply are felt in Japan. However, local counsel has also advised that there is no known precedent of extra-territorial enforcement being brought against offshore gambling operators or their suppliers.

Further, the prohibitions on gambling do not provide for explicit extra-territorial application to the provision of gambling services outside of Japan. Since the laws do not clearly apply to conduct which takes place and whose effect is felt only outside Japan, there remains doubt over the applicability of Japanese law to the remote supply model.

Gamesys acts as a supplier of services to Breckenridge. Local counsel has advised that no additional risks are identified for a supplier, over and above those set out above for an operator. The strict legal position is the same in that there are no laws or regulations expressly addressing the conduct of either offshore operators or offshore supplies, deriving remotely generated revenues from the Japanese market other than the general prohibition on gambling under the Japanese Penal Code.

Other Regulatory Regimes and Future Developments

While certain European countries, such as Malta and Gibraltar, have adopted "point-of-supply" regimes, which generally permit their licencees to accept wagers from any jurisdiction that does not expressly prohibit the supply of online gaming from outside such jurisdiction, other countries, including the UK, Italy, France and Spain, have implemented, or are in the process of implementing, "point-of-consumption" regimes which only permit the targeting of the domestic market, provided the appropriate local licence is obtained and local taxes accounted for (regardless of where the operator's assets, infrastructure and employees may be located). Such licensing regimes can apply onerous compliance requirements and/or introduce product restrictions or marketing restrictions that could have an adverse effect on the Gamesys Group's operations (and correspondingly on its financial performance) were it to obtain and maintain such licences.

Other European territories continue to defend limited licensing regimes that protect monopoly providers and, in certain jurisdictions, have combined this with an attempt to prohibit or otherwise restrict all other supplies into the territory. Restrictive approaches to the regulation of internet gambling may yet be deemed to be in

potential conflict (in any specific jurisdiction) with the TFEU treaty laws (governing the free movement of trade and services throughout the EU) and case law rendered by the ECJ.

A challenge to the validity of any EU jurisdiction's approach to gambling regulation would focus on restrictions on the freedoms of establishment or the freedom to provide services. Restrictions usually take one of a number of forms, including: (i) granting exclusive rights in certain, or all, gambling activities to one or a few providers; (ii) implementing a blanket exclusion of all gambling activities; (iii) prohibiting, on pain of criminal penalties, the pursuit of activities in the betting and gaming sector without a licence or police authorisation issued by the relevant member state (being any member state of the European Economic Area which has implemented the Prospectus Directive); (iv) limiting the number of licences available to conduct particular gambling activities; (v) limiting the duration of licences; (vi) unfair or discriminatory procedures for awarding licences; and/or (vii) requirement for local establishment.

A series of ECJ decisions have given EU member states wide latitude in regulating the online gambling market. However, a framework within which EU member states must operate has evolved through such jurisprudence and, once evidence of a restriction has been established, it is necessary to determine if such a restriction can be justified by the EU member state. As case law developed, the assessment as to whether a restriction on the European market freedoms is justified became divided into four criteria, which must be cumulatively met. Any restriction must be: (i) non-discriminatory; (ii) for the public interest; (iii) suitable (such that it achieves the purposes for which the restriction is introduced); and (iv) necessary (i.e., does not go beyond the intended purposes).

As a result of various ECJ decisions over the past several years that clearly indicated a lack of recognition by various EU member states of their obligations flowing from the TFEU, as highlighted in the aforementioned jurisprudence, the European Commission has attempted to prompt the introduction of initiatives that would harmonise the regulation of online gambling within the EU, which is in line with the TFEU's stated objective of encouraging a free and open cross-border market. In early 2011, the European Commission's then Internal Market Commissioner, Michel Barnier, began an EU-wide consultation and review process to assess the possibility of harmonising the regulation of certain aspects of online gambling regulation. Harmonisation in the area of online gambling, however, has been met with substantial opposition in the past, and it is now considered highly unlikely that the harmonisation will occur (not least as the ECJ has also made it clear, within jurisprudence, that provided it enacts legislation that is in line with the four criteria stated in the paragraph immediately above, then it is not obliged to recognise any licences issued to a gambling operator in any other EU member state).

Contemporaneous with its efforts to harmonise European online gambling laws, the European Commission initiated infringement proceedings against various EU member states in relation to perceived breaches of Article 56 of the TFEU, including proceedings commenced against Sweden in late 2013, which culminated in October 2014 with a referral of Sweden to the ECJ for lack of compliance with EU law. On 7 December 2017, the European Commission formally announced its closure of all infringement proceedings and complaints in the gambling sector, citing that "*complaints in the gambling sector can be handled more efficiently by national courts also in light of the numerous judgments of the CJEU on national gambling legislation*". Certain EU member states (which no longer have infringement proceedings against their names) may feel somewhat emboldened by the European Commission's decision and, as a result, may seek to enforce or introduce regulatory regimes which are unfavourable to the Gamesys Group or its commercial partners. However, since that withdrawal, the ECJ ruled, in March 2018, that Hungary's gambling legislation is non-compliant with its TFEU obligations, indicating that the ECJ will continue to apply EU freedom principles in this field. There remains uncertainty and an unpredictability around how EU member states may approach the ongoing supply into their jurisdictions by operators based outside the jurisdiction. This uncertainty creates ongoing risk to the business of any operator.

Advertising

In many jurisdictions, there have been discussions and decisions made with regards to the outreach of gambling advertisements to their inhabitants, with particular reference the exposure of young persons to such advertising.

In Sweden, licenced operators continue to face enforcement action by the Swedish regulator for failure to comply with advertising restrictions. In addition, in January 2021, the Government of Sweden opened a consultation which includes a proposal to further restrict gambling advertising by, for example, placing a prohibition on casino advertising from 6 a.m. to 9 p.m.

In November 2020, the Decree on Commercial Communications of Gambling Activity entered into law in Spain. The Decree introduced significant restrictions on the advertising of online gambling. Gambling

operators are prohibited from advertising or promoting gambling TV, radio and online platforms between the hours of 1 a.m. and 5 a.m. The Decree also introduced measures on social media advertising and celebrity endorsements.

As noted above, in Great Britain the Government is currently reviewing the GB Gambling Act. The review will include consideration of the impact of gambling advertising. As such, the possibility of additional measures concerning gambling advertising in Great Britain cannot be ruled out.

GBGC Enforcement

In November 2020, the GBGC published its Compliance and Enforcement report for 2019-20. The GBGC stated that in the previous financial year it had completed 350 compliance assessments of land-based and online operators, issued 12 financial penalty packages or regulatory settlements totalling over £30 million, suspended 5 operating licences and revoked 11 licences.

In its Compliance and Enforcement report, the GBGC cited significant failings by online operators. From an anti-money laundering and counter terrorist financing perspective, the GBGC highlighted its concern that operators were adopting a ‘one size fits all’ approach to assess risk as opposed to putting in place measures to address specific money laundering and terrorist financing risks it may face.

In June 2019, Gamesys Operations Limited was subject to enforcement action from the GBGC relating to shortcomings concerning three customers in the period between 2014 and 2016. The GBGC’s investigation concluded that Gamesys Operations Limited failed to comply with money laundering regulations, including by not establishing the customers’ source of funds, which transpired to be stolen funds, and also failed to interact with customers who were potentially displaying signs of problem gambling. As part of the regulatory settlement with the GBGC, Gamesys Operations Limited agreed to pay £1.2m.

Regulatory Developments in Great Britain

Gambling Act Review

In December 2020 the UK Government commenced a review of the GB Gambling Act. Further details on the review are set out above in paragraph 2 (*Regulation of Gamesys*) of Part IX (“***Information on Gamesys***”).

Affordability

In February 2021, the GBGC’s consultation and call for evidence on remote customer interactions closed. The primary purpose of the consultation was to seek views to determine ‘affordability’ thresholds – that is, the point at which, as determined by the GBGC, operators will be required to undertake an assessment to ascertain whether a customer can afford their gambling spend. Views were also sought on the nature of the assessment and how an operator would be required to protect customers following an assessment.

The proposal to introduce affordability checks is of great significance to the market in Great Britain because, if introduced, it will be for gambling operators to undertake a detailed financial assessment of a given customer whenever such customer may wish to spend over and above the threshold that the GBGC will ultimately set.

The UK Government’s review of the GB Gambling Act will also explore issues concerning affordability.

High Value Customer Guidance

In September 2020, the GBGC issued industry guidance to assist GBGC-licensed operators to assess whether they can provide high-value customer schemes (commonly known as “VIP programmes”) with the necessary safeguards in place. Under social responsibility code provision 5.1.1 of the LCCP, operators that offer high-value customer schemes are under an obligation to ensure that such schemes are offered in a way which is consistent with the Gambling Act’s licensing objectives. The guidance places the responsibility on licencees to assess the risks of incentivising high-value customers and sets out the minimum standards that the GBGC expects its licencees to adopt and evidence, in policies, procedures and practice, how it mitigates such risk. Where an operator cannot meet the GBGC’s minimum requirements, the guidance sets out that “*they should not be operating HVC incentive schemes*”.

As a minimum, the GBGC expects a licensed operator to be able to evidence that it has undertaken checks to establish: that a high value customer’s spending is affordable and sustainable; whether there is any evidence of gambling related harm or heightened risk linked to vulnerability; that the operator has in place up to date evidence relating to the individual’s identity, occupation and source of funds. With regard to

source of funds, the GBGC further expects an operator to obtain clarification over the actual source of funds as opposed to undertaking assessments based on open source information.

Significantly, the GBGC's guidance also makes it clear that oversight and responsibility for high value customer schemes operated by gambling operators rest with not just the gambling operator but also with those holding a Personal Management Licence, likely in an operator's marketing and or compliance function. Operators must, therefore, ensure that they not only have in place adequate measures to protect against harm when running a high-value customer scheme, but also ensure that they have in place appropriate internal governance clearly defining the roles and responsibilities of those that manage and oversee such schemes.

Game Design

In February 2021, the GBGC announced a number of measures that will significantly impact upon the design and offer of online slots games. The intention of the measures is to make online slots less intensive and safer by design.

The following features of online slots will be banned as of 31 October 2021: (i) features that speed up play or give the illusion of control over the outcome; (ii) slot spin speeds faster than 2.5 seconds; (iii) auto-play – which can lead to players losing track of their play, and; (iv) sounds or imagery which give the illusion of a win when the return is in fact equal to, or below, a stake.

In addition, operators will be required to clearly display a player's total losses or wins and the time played during an online slots session.

PART X

BALLY’S DIRECTORS, PROPOSED BALLY’S DIRECTORS, COMPANY OFFICERS AND CORPORATE GOVERNANCE

Bally’s Directors

The following table lists the names, ages and positions of the Bally’s Directors, as well as the dates of their initial appointment as directors of the Corporation and the expiry of their appointment.

Name	Age	Position	Date appointed to Bally’s Board	Date of expiry of current office
Soohyung Kim.....	46	Chairman and Independent Director	2016	2022
George T. Papanier.....	63	President and Chief Executive Officer	2013	2023
Terrence Downey.....	66	Independent Director	2019	2024
Jaymin B. Patel.....	53	Independent Director	2021	2024
Jeffrey W. Rollins.....	56	Independent Director	2019	2023
Wanda Y. Wilson.....	71	Independent Director	2019	2024

The business address of the Bally’s Directors is 100 Westminster Street, Providence, Rhode Island 02903.

The names, business experience, and principal business activities of the Bally’s Directors are set out below.

Soohyung Kim: Mr. Kim has served as the Chairman of the Bally’s Board since December 2019 and as an independent director since 2016. Mr. Kim is currently the Founding Partner of Standard General L.P., an investment firm, and is the firm’s Managing Partner and Chief Investment Officer. Mr. Kim has been investing in special situations strategies since 1997, including as co-founder of Cyrus Capital Partners from 2005 to 2007 and at Och-Ziff Capital Management from 1999 to 2005, where he was a Principal and co-founder of its fixed income business. Prior to joining Och-Ziff Capital Management, Mr. Kim was an analyst for the Capital Management Group at Bankers Trust Corporation from 1997 to 1999. Mr. Kim is a Director of Maidstone Insurance Corporation, a Director of Coalition for Queens, a Director of the Cary Institute of Ecosystem Studies and the President of the Stuyvesant High School Alumni Association. Mr. Kim is a former member of the board of directors of Greektown Superholdings and Media General, Inc. and the board of managers of ALST Casino Holdco, LLC.

George T. Papanier: Mr. Papanier’s association with the Corporation began in 2004 when he served as the Chief Operating Officer, an appointment he held until February 2011 when he was then appointed to the role of President and CEO. His career in the gaming industry spans some 35 years. Prior to joining the Bally’s Group, Mr. Papanier served in the same capacity for Peninsula Gaming with properties in Iowa and Louisiana, from 2000 until 2004 and as COO for Resorts Casino Hotel in Atlantic City, New Jersey from 1997 until 2000. Both positions involved strategic and tactical planning for the resorts and supervision of major renovation and construction projects. He was also active in evaluating potential acquisitions and development projects for the two organisations. From 1995 until 1997, he served as CFO for both Sun International Hotels Limited in the Bahamas and Mohegan Sun Casino in Uncasville, Connecticut. Earlier in his career, he served in executive operations capacities for Hemmeter Enterprises in Denver, Colorado and in an executive financial capacity for Trump Plaza Hotel and Casino in Atlantic City. Mr. Papanier is a graduate of Rowan University where he received a B.A. in Business Administration and Accounting. He is a Certified Public Accountant and served as Treasurer of the Casino Association of New Jersey in 1999 to 2000.

Terrence Downey: Mr. Downey has served as an independent director of the Corporation since January 2019. Mr. Downey served as the President and Chief Operating Officer of SLS Las Vegas from January 2017 to July 2017. Earlier in his career, Mr. Downey served as the President and General Manager of Aliante Gaming LLC from November 2012 to October 2016. Prior to joining Aliante Gaming LLC, Mr. Downey worked for over 15 years as Vice President and General Manager at multiple Station Casinos locations.

Jaymin B. Patel: Mr. Patel has served as an independent director of the Corporation since January 2021. He currently serves as the Executive Chairman of Cloud Agronomics Inc., an agriculture technology company providing geospatial imaging and next generation analytics on soil organic carbon and crop

performance. From 2015 until 2018, Mr. Patel served as the CEO and Director of Brightstar Corporation, a \$10+ billion SoftBank global wireless device services company. Prior to that, Mr. Patel served as President and CEO of GTECH Corporation (now IGT) from 2008 until 2015, President and COO in 2007 and CFO of GTECH Holdings Corporation from 2000 to 2006, and as CFO of Lottomatica SPA from 2006 to 2007. Additionally, Mr. Patel has served on the board of directors of Willis Tower Watson, a leading global advisory, broking and solutions company, since 2013. Mr. Patel is also a Director of Rip Van, a provider of healthy waffles, a Board Member and operating partner of Grow Materials, a sustainable supply chain company, and Chairman of the Foundation Board of the Community College of Rhode Island.

Jeffrey W. Rollins: Mr. Rollins has served as an independent director of the Corporation since May 2019. Mr. Rollins has extensive experience in gaming, having previously served as an independent director at Dover Downs, a position he held from 2002 to 2019. He joined Ashford Capital Management in August 2013 as Senior Investment Officer and Managing Member, Osprey Advisors. Prior to joining Ashford, Mr. Rollins founded J.W. Rollins & Associates, which focused on investing in and building established and early stage growth companies. He was also a Partner and Managing Director of a private equity fund focused on growth companies. Mr. Rollins currently serves on the board of Dover Motorsports and the Duke University Fuqua School of Business, Board of Visitors.

Wanda Y. Wilson: Ms. Wilson has served as an independent director of the Corporation since May 2019. Ms. Wilson recently retired from her role as Chief Operating Officer, General Counsel and Secretary of the Tennessee Education Lottery Corporation (“TEL”). Ms. Wilson joined the TEL in 2003 as Executive Vice President and General Counsel and was promoted to Chief Operating Officer in 2013. Prior to joining the TEL, Ms. Wilson was employed at the Georgia Lottery Corporation, where she served as the Senior Vice President and General Counsel for 10 years. Earlier in her career, she was an investment banker with E.F. Hutton and the Northern Trust Bank. Ms. Wilson brings over 25 years of executive management experience in the public gaming industry.

Proposed Bally’s Directors

Name	Age	Position
Lee Fenton	51	Chief Executive Officer
Robeson Reeves	37	Chief Operating Officer
Jim Ryan	59	Non-executive Director

Following the Combination, the business address of the Proposed Bally’s Directors will be 100 Westminster Street, Providence, Rhode Island 02903.

The names, business experience and principal business activities of the Corporation Officers are set out below.

Lee Fenton: Mr. Fenton was appointed as Chief Executive Officer of Gamesys on 26 September 2019. Before then, Mr Fenton had been Chief Executive Officer of Gamesys Limited since July 2015. Mr Fenton initially joined Gamesys Limited in November 2008 as Chief Operating Officer. Prior to Gamesys, he was Chief Operating Officer of the mobile division at 20th Century Fox and, before that, Global Director of Consumer Products & Content at Vodafone Group plc. Mr Fenton brings extensive gaming industry knowledge and deep experience of working with global brands and managing operations across multiple markets. He graduated in 1992 with a BA (Hons) in Media & Cultural Studies from the University of the West of England.

Robeson Reeves: Mr. Reeves was appointed as Chief Operating Officer of Gamesys on 26 September 2019. Before then, Mr. Reeves had been Chief Operating Officer of Gamesys Limited since July 2015. Mr. Reeves originally joined Gamesys Limited in September 2005 and held a number of positions, most recently Director of Gaming Operations from May 2010 and as a member of the Gamesys Limited board from August 2010. Since joining Gamesys Limited, he has built a strong record in cohesively connecting player and product experiences to marketing and business KPIs, ensuring sustainable growth into the future. Mr. Reeves brings significant entrepreneurial and executive leadership experience, with a particular focus on global player engagement and business development. Mr. Reeves graduated in 2005 with a BSc in Statistics, Operations, Research and Management Studies from University College, London.

Jim Ryan: Mr. Ryan was appointed to the Board of Gamesys as an independent non-executive director on 5 September 2016. He is an experienced online gaming executive who is currently the CEO of Pala Interactive LLC. Mr. Ryan has also held a number of other roles within the online gaming sector, including

Co-Chief Executive Officer of bwin.party digital entertainment plc, Chief Executive Officer at PartyGaming plc, St Minver Limited and Excapsa Software Limited and Chief Financial Officer of Cryptologic Software Limited. Mr. Ryan also currently sits on the boards of Gaming Realms plc, Fralis LLC, Pala Interactive LLC and has served on the boards of several public and private companies. Mr. Ryan is a Chartered Accountant and Certified Public Accountant, accredited with the Canadian Institute of Chartered Accountants and a degree in business from the Goodman School of Business at Brock University.

Corporation Officers

Name	Age	Position
George T. Papanier.....	63	President and Chief Executive Officer
Stephen H. Capp	58	Executive Vice President and Chief Financial Officer
Marc Crisafulli	52	Executive Vice President, Strategy & Operations

The business address of the Corporation Officers is 100 Westminster Street, Providence, Rhode Island 02903.

The names, business experience and principal business activities of the Corporation Officers are set out below.

George T. Papanier: (see above).

Marc Crisafulli: Mr. Crisafulli serves as Executive Vice President, Strategy & Operations, and President of Twin River Casino Hotel and Tiverton Casino Hotel, two of the Bally’s Group’s Rhode Island properties. Mr. Crisafulli is responsible for the Corporation’s pursuit of strategic initiatives and directs the Bally’s Group’s government and public affairs for all of the Bally’s Group’s properties nationwide. Mr. Crisafulli was also appointed by the Bally’s Board as the executive sponsor for the Bally’s Group’s environmental, social and governance (ESG) initiatives. Mr. Crisafulli most recently served as the President of the US&C and Global Device Protection for Brightstar Corporation, a Softbank Corporation, where he was responsible for a \$5 billion region, based outside Chicago, with operations in the United States and Canada as well as a \$300 million global division with operations on five continents. Prior to that he was an active member of the Rhode Island business community, having served as managing partner of Hinckley, Allen & Snyder as well as a senior executive and general counsel for GTECH Corporation, now IGT.

Stephen H. Capp: Mr. Capp joined the Corporation as Executive Vice President and Chief Financial Officer in January 2019. He previously served as a member of the Board from 2012 to 2018, and was a member of the audit and compensation committees during that time. From 2003 to 2011, Mr. Capp served as Executive Vice President and Chief Financial Officer of Pinnacle Entertainment, a then-public casino gaming and hospitality company based in Las Vegas. Prior to working at Pinnacle Entertainment, Mr. Capp was a Managing Director at Bear Stearns in New York from 1997 to 2003, specialising in leveraged finance, and prior to that was a Managing Director at BancAmerica Securities in Los Angeles and San Francisco. Mr. Capp brings 30 years of financial, banking and operating experience to the Bally’s management team.

Conflicts of interest

Save as set out below, there are no actual or potential conflicts of interest between any duties owed by the Directors nor the Proposed Directors to the Corporation and their private interests or other duties he or she may also have.

Jim Ryan is a director of Gaming Realms plc, a company with which the Gamesys Group has entered into a ten-year framework services agreement, under which the Gamesys Group receives various real money services on favoured terms.

No Bally’s Director was selected to be a director of the Corporation pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the Bally’s Group.

There are no family relationships between any of the Bally’s Directors and between any of the Proposed Bally’s Directors.

Compensation

For the year ended 31 December 2020, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted to each of the directors and officers of the Corporation by members of the Bally's Group was \$16,196,851.

Remuneration was paid to the Bally's Directors and the Corporation Officers as set out in the tables below.

Bally's Directors

The following table provides compensation information for the year ended 31 December 2020. Mr. Papanier does not receive compensation for his service as a director because he is an employee of Bally's. Mr. Kim has declined compensation for his service as a Bally's director. Mr. Patel was appointed as a director in January 2021 and therefore, had no compensation in 2020.

Name	Fees Earned or Paid in Cash ⁽¹⁾ (\$)	Stock Awards ⁽²⁾ (\$)	Option Awards (\$)	Non-Equity	All Other Compensation (\$)	Total (\$)
				Incentive Plan Compensation (\$)		
Terrence Downey..	120,005	249,895	—	—	—	369,900
Soohyung Kim.....	—	—	—	—	—	—
Jeffrey W. Rollins.	105,005	249,895	—	—	—	354,900
Wanda Y. Wilson..	157,500	249,895	—	—	—	407,395

(1) This column shows the amount of cash compensation earned for service on the Bally's Board and its committees. During 2020, to further align director interests with shareholders and to conserve cash in light of the impact of the COVID-19 pandemic, the Bally's Board determined to pay the cash portion of the nonemployee director annual retainer in shares of Corporation common stock instead of cash while the majority of operations were shut down.

(2) The amounts contained in this column represent the grant date fair value for the restricted stock awards, including unvested restricted stock awards, granted in 2020 calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, Stock Compensation ("ASC 718"). The grant date fair value for restricted stock awards is calculated using the intrinsic value method based on the closing price of the Corporation's common stock on the NYSE on the date of grant. On 19 May 2020, Ms. Wilson and Messrs. Downey and Rollins each received a restricted stock award ("RSAs") with a grant date fair value of \$60,000. On 30 December 2020, Ms. Wilson and Messrs. Downey and Rollins each received a fully vested other stock award, with a grant date fair value of \$189,895.

Corporation Officers

The following table provides information concerning the compensation of the Corporation officers for each of the years ended 31 December 2020, 31 December 2019 and 31 December 2018, as applicable.

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Bonus ⁽²⁾ (\$)	Stock Awards ⁽³⁾ (\$)	Non-Equity	All Other Compensation ⁽⁵⁾ (\$)	Total (\$)
					Incentive Plan Compensation ⁽⁴⁾ (\$)		
George T. Papanier	2020	721,000	—	2,088,281	760,639	31,508	3,601,428
	2019	721,000	—	1,875,044	—	27,777	2,623,821
	2018	721,000	669,171	909,149	—	20,038	2,319,358
Stephen H. Capp	2020	600,000	—	2,147,690	632,967	20,604	3,401,261
	2019	600,000	—	1,600,022	—	16,057	2,216,079
Marc A. Crisafulli	2020	550,000	—	7,502,171	—	9,796	8,061,967

For Messrs. Papanier, Capp and Crisafulli, the amount represents the base salary paid to each of them during the relevant year and reflects any increase in base salary that became effective during the applicable year.

For 2018, the amount shown reflects the discretionary bonus amount paid to Mr. Papanier in recognition of his leadership efforts in connection with the Corporation's transformative strategic initiatives during 2018.

Amounts shown represent the grant date fair value of awards of time-based vesting RSUs and PSUs at the target level as computed under ASC 718, granted during the fiscal year indicated. For additional information, please refer to Note 13 "Equity Plans" in the Corporation's Consolidated Financial Statements for the year ended 31 December 2020 included in Section B of Part XIV ("Bally's Financial Information"). For PSUs, grant date fair value is calculated based on the probable outcome of the performance result (i.e., target level of performance) for each of the performance periods. These amounts do not necessarily reflect the actual amounts that were paid to, or may be realized by, the Corporation Officer for any of the fiscal years reflected.

The amounts in this column reflect amounts earned by each Corporation Officer under the Annual PFP. In recognition of their strong leadership managing the Corporation during the COVID-19 pandemic and their numerous contributions to the many strategic accomplishments, Messrs. Papanier and Capp were awarded 15,794 shares and 13,143 shares, respectively, in each case equal to approximately 100% of their Annual PFP target, adjusted for share price movement on the date of grant. Refer to "2020 Strategic Objectives" section of the CD&A for further explanation.

Amounts shown for 2020 consist of (1) a gross up for Corporation paid health insurance premiums paid for each of the Corporation Officers, (2) Bally's contributions under Bally's 401(k) plan for Messrs. Papanier and Capp in the amount of \$4,861 and \$4,055, respectively, (3) dividend equivalents paid to Messrs. Papanier, Capp and Crisafulli in the amount of \$16,623, \$6,525 and \$1,581, respectively, (4) Bally's payment of group term life insurance premiums for each of Messrs. Papanier and Capp in the amount of \$1,080, and (5) contributions for the executive long-term disability policy for each of Messrs. Papanier, Capp and Crisafulli, in the amount of \$729.

Bally's Directors' and Executive Officers' Employment Agreements

George Papanier

The employment agreement entered into with Mr. Papanier was originally effective as of 29 March 2016 and subsequently amended on 13 January 2020 (the "**Papanier Employment Agreement**"). On 20 January 2021, the Papanier Employment Agreement was amended again, effective as of 16 January 2021. The latest amendment extended the term of Mr. Papanier's employment agreement up to 31 December 2023 (the "**Papanier Initial Period**"), subject to additional one-year extensions, increased Mr. Papanier's annual base salary to \$950,000 for the remainder of the Papanier Initial Period and entitled Mr. Papanier to receive an equity award of 114,482 shares, of which 50% is to be granted in the form of time-based equity awards and 50% is to be granted in the form of performance-based restricted stock units ("**PSUs**") with both portions of the award vesting rateably on 31 December 2021, 31 December 2022 and 31 December 2023. The Papanier Employment Agreement also provides that Mr. Papanier is eligible to receive a target annual cash bonus equal to his base salary.

Stephen H. Capp

The employment agreement entered into with Mr. Capp was originally effective as of 1 January 2019 (the "**Capp Employment Agreement**"). On 23 February 2021, Bally's amended the Capp Employment Agreement effective as of 23 February 2021. The amendment extended the term of Mr. Capp's employment agreement until 31 December 2022 (the "**Capp Initial Period**"), subject to additional one year extensions, increased Mr. Capp's annual base salary to \$825,000 for the remainder of the Capp Initial Period and entitled Mr. Capp to receive two equity awards. The first is an equity award of 12,812 shares, of which 50% is to be granted in the form of time-based equity awards and 50% is to be granted in the form of PSUs, with both portions of the award vesting on 31 December 2021. The second is an equity award of 25,624 shares, of which 50% is to be granted in the form of time-based equity awards and 50% is to be granted in the form of PSUs, with both portions of the award vesting on 31 December 2022. The Capp Employment Agreement also provides that Mr. Capp is eligible to receive a target annual cash bonus equal to his base salary.

Marc Crisafulli

The employment agreement entered into with Mr. Crisafulli was originally effective as of 1 May 2019 and was subsequently amended on 16 January 2020 (the "**Crisafulli Employment Agreement**"). On 16 March 2021, the Crisafulli Employment Agreement was amended effective as of 15 March 2021. The latest amendment extended the term of Mr. Crisafulli's employment agreement until 31 December 2023, subject to additional one year extensions, and increased his annual base salary for 2022 and 2023 to \$600,000 and \$650,000, respectively. The Crisafulli Employment Agreement also provides that Mr. Crisafulli is eligible to receive a target annual cash bonus equal to his base salary.

Upon a termination of employment by Bally's or a subsidiary, as applicable, without "justifiable cause" with respect to Messrs. Papanier, Capp or Crisafulli or by Messrs. Papanier, Capp or Crisafulli for "good reason," Bally's will pay, as applicable, the following separation payments and benefits: (1) any earned but unpaid annual bonus for the year prior to the year of termination, (2) a pro-rated annual bonus for the year in which the termination of employment occurs, and (3) continued payment of annual base salary for the longer of (a) the amount of time remaining until the end of the term of the employment agreement and (b) a period of 12 months following the termination date (the "**Base Salary Continuation**"). The agreement with Mr. Capp also provides for continued payment of his annual bonus for the same period of time during which the Base Salary Continuation is paid. In addition, during the applicable severance period, Messrs. Papanier, Capp or Crisafulli, as applicable, will continue to be eligible to participate in Bally's group health and dental plans (or, if the executive is ineligible to continue to participate in such plans, Bally's will pay the executive's COBRA premiums during the applicable period).

General – Employment Agreements

If Messrs. Papanier, Capp or Crisafulli's employment is terminated by Bally's or a subsidiary, as applicable, without "justifiable cause" or for "good reason" within 12 months following a "change in control," Bally's will pay, to the applicable individual, the same severance payments and benefits described above, except that the Base Salary Continuation (and annual bonus in the case of Mr. Capp) and health continuation benefits will continue for the longer of: (1) the amount of time remaining until the end of the term of the employment agreement and (2) a period of 24 months following the termination date. In addition, if Messrs. Papanier, Capp or Crisafulli's employment is terminated as a result of the applicable individual's death or disability, the applicable individual (or their estate, if applicable) will be eligible to receive a pro-rated

portion of their annual bonus payable under the Annual PFP for the year in which such termination of employment occurred.

For purposes of Messrs. Papanier, Capp or Crisafulli's employment agreements, "good reason" generally means (1) a material diminution in his base salary, other than a general reduction in base salary that affects all similarly situated executives of Bally's, (2) a material diminution in his responsibilities to Bally's (other than temporarily during periods of physical or mental incapacity or as required by applicable law), or (3) a relocation of his principal place of employment such that the distance between his primary residence as of such relocation and his principal place of employment is increased by more than 50 miles.

For purposes of the employment agreements with Messrs. Papanier, Capp and Crisafulli, a "change in control" is defined by reference to the definition included in the 2015 Stock Incentive Plan. Messrs. Papanier, Capp and Crisafulli's right to receive the severance benefits set forth in their respective employment agreements is subject to their execution of an effective release of claims against Bally's and its affiliates.

During the employment term and for the longer of the period of Base Salary Continuation or 12 months following the Corporation Officer's termination date, Messrs. Papanier, Capp and Crisafulli will be subject to certain geographically limited non-competition restrictions. Messrs. Papanier, Capp and Crisafulli will also be subject to certain non-solicitation, non-disparagement and non-disclosure restrictions.

Corporate governance

The Bally's Board is currently composed of six members and has the following four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and the Compliance Committee. The membership and functions of each standing committee are described below. Each standing committee operates under a written charter which, along with the Corporation's code of business conduct (the "**Code of Business Conduct**"), can be found on the Investors—Governance section of the Bally's Group's website at www.ballys.com. The information on the website is not part of this Prospectus.

During the year ended 31 December 2020, the Bally's Board held 13 meetings, including telephonic meetings. During this period, all of the then existing directors attended or participated in at least 90% of the aggregate of the total number of meetings of the Bally's Board and the total number of meetings held by all committees of the Bally's Board on which each such director served. The independent directors met without management present at each of the regular quarterly meetings of the Bally's Board in 2020.

Although the Bally's Group does not have a formal policy regarding attendance by members of the Bally's Board at the Corporation's annual meetings of shareholders, the Corporation encourages the members of the Bally's Board. All of the directors of the Corporation attended this year's annual meeting of shareholders held on 18 May 2021.

Under the rules of the New York Stock Exchange (the "**NYSE**"), independent directors must comprise a majority of the Bally's Board. The Bally's Board has undertaken a review of the independence of each director based upon definitions promulgated by the SEC and the rules of the NYSE and, applying these standards, the Bally's Board has affirmatively determined that each of Messrs. Downey, Kim, Rollins, Patel and Ms. Wilson qualify as independent directors under applicable rules. In making these determinations, the Bally's Board considered the current and prior relationships that each director has with the Corporation and all other facts and circumstances the Bally's Board deemed relevant.

Since December 2019, Soohyung Kim has served as Chairman of the Bally's Board. The Bally's Board has considered this leadership structure and believes it currently provides the most efficient and effective leadership model for the Corporation by enhancing both the Chairman's and Chief Executive Officer's ability to provide clear insight and direction of business strategies and plans to both the Bally's Board and management. Separating the roles of Chairman of the Bally's Board ensures that the Chief Executive Officer is able to more exclusively focus on this role. The Bally's Board has not appointed a lead independent director at this time.

The Corporation has established several means for shareholders and others to communicate the Bally's Board. If a shareholder has a concern regarding the Corporation's financial statements, accounting practices or internal controls, the concern should be submitted in writing to the Chair of the Audit Committee in care of the Secretary at the Corporation's registered office address. If the concern relates to governance practices, business ethics or corporate conduct, the concern should be submitted in writing to a member of the Nominating and Governance Committee in care of the Secretary at the Corporation's registered office address. If a shareholder is unsure as to which category the concern relates, the shareholder may

communicate it to any one of the independent directors in care of the Secretary at the Corporation's registered office address.

All such shareholder communications will be forwarded to the applicable director(s), unless such communications are considered, in the reasonable judgement of the Secretary, to be improper for submission to the intended recipient(s). Examples of shareholder communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate, directly or indirectly to the Corporation, the Bally's Group or its business or communications that relate to improper or irrelevant topics. Any such improper communication will be made available to any non-employee director upon request.

Board committees

Audit Committee

The Audit Committee currently consists of Ms. Wilson (Chair) and Messrs. Downey, Patel and Rollins. The Bally's Board has determined that each of the members is independent under the NYSE and SEC standards, and that each is financially literate within the requirements of the NYSE listing standards. The Bally's Board has also determined that Ms. Wilson qualifies as an "audit committee financial expert" as that term is defined by the applicable SEC and NYSE requirements.

The Audit Committee operates under a written charter adopted by the Bally's Board. The primary duties and responsibilities of the Audit Committee are to: (1) assist the Bally's Board in fulfilling its oversight responsibilities with respect to (a) the Corporation's financial statements, (b) the Corporation's compliance with legal and regulatory requirements, (c) the independent auditors' qualifications, independence and performance, and (d) the performance of the Corporation's internal audit function; (2) prepare the Audit Committee's report to be included in the Corporation's annual proxy statement; (3) advise and consult with management and the Bally's Board regarding the financial affairs of the Corporation; and (4) appoint, compensate, retain, terminate and oversee the work of the Corporation's independent auditors.

The Audit Committee held six meetings during the year ended 31 December 2020. The Audit Committee also held executive sessions on several occasions during the year with company management not present.

Compensation Committee

The Compensation Committee currently consists of Mr. Rollins (Chair), Ms. Wilson, and Mr. Downey. The Bally's Board has determined that each member is independent under the NYSE and SEC standards. All members of the Compensation Committee are also "non-employee directors" under SEC standards.

The Compensation Committee operates under a written charter adopted by the Bally's Board. The Compensation Committee is responsible for decisions relating to all compensation plans, policies and perquisites as they affect the Chief Executive Officer and other executive officers and may form and delegate authority to subcommittees when it deems appropriate. Among other things, the role of the Compensation Committee is to: (1) establish and review executive compensation policies and programmes; (2) review and approve executive officer compensation; (3) recommend incentive compensation plans; (4) recommend equity-based plans; (5) administer compensation plans; (6) review annually and determine the peer group(s) used for benchmarking executive compensation levels; (7) oversee regulatory compliance; (8) review employment agreements and severance agreements; (9) oversee management continuity; (10) review director compensation; (11) determine and review stock ownership guidelines; and (12) review compensation discussion and analysis.

The Compensation Committee has the authority, to the extent that it deems necessary or appropriate, to retain a compensation consultant to assist in the evaluation of director or executive officer compensation. The Compensation Committee also has the sole authority to approve consultants' fees and other retention terms. The Compensation Committee also has the authority, to the extent that it deems necessary or appropriate, to retain other advisers. The Corporation will provide appropriate funding, as determined by the Compensation Committee, for payment of compensation to any consulting firm, independent counsel or other independent advisers hired by the Compensation Committee.

The Compensation Committee held four meetings during the year ended 31 December 2020. The President and Chief Executive Officer does not participate in deliberations concerning, and was not present for the vote on, his compensation arrangements.

Nominating and Governance Committee

The Nominating and Governance Committee currently consists of Mr. Downey (Chair), Messrs. Patel and Rollins and Ms. Wilson. The Bally's Board has determined that each member is independent under the NYSE and SEC standards.

The Nominating and Governance Committee operates under a written charter adopted by the Bally's Board. The primary purpose of the Nominating and Governance Committee is to identify individuals it determines to be qualified to become members of the Bally's Board, recommend candidates to fill vacancies on the Bally's Board and newly created director positions, recommend whether incumbent directors should be nominated for re-election to the Bally's Board upon the expiration of their terms, recommend corporate governance guidelines applicable to the Bally's Board and the Corporation's employee, oversees the evaluation of the Bally's Board and its committees and assess and recommend members of the Bally's Board to the Bally's Board for committee membership. No person may serve as a member of the Bally's Board or be elected or nominated for election to the Bally's Board, unless such person has been licenced to serve as a member of the Bally's Board by the applicable gaming authorities at the time of such service, election or nomination.

The Nominating and Governance Committee held one meeting during the year ended 31 December 2020.

Compliance Committee

The Compliance Committee currently consists of: Ms. Wilson (Chair), Mr. Crisafulli, and Mr. Papanier. The Compliance Committee was formed by the Bally's Board and operates under a written charter adopted by the Bally's Board. The primary purpose of the Compliance Committee is to establish and administer the Corporation's compliance programme (the "**Compliance Programme**") and develop, initiate, maintain and revise compliance policies and procedures to prevent illegal, unethical, or improper conduct. Among other things, the role of the Compliance Committee is to: (1) periodically review the Code of Business Conduct to ensure continuing relevance in providing guidance to management and employees and, if applicable, recommend updates to the Code of Business Conduct to the Bally's Board; (2) maintain reasonable current knowledge of laws and regulations; (3) respond to alleged material violations of rules, regulations, policies, procedures and the Code of Business Conduct as identified by the compliance officer by evaluating or recommending the initiation of investigative procedures; (4) act as an independent review and evaluation body with the objective of ensuring that identified compliance issues within the Corporation are evaluated, investigated and resolved; (5) identify potential areas of compliance vulnerability and risk, develop and implement corrective action plans determined to be appropriate for resolution of compliance issues and provide general guidance on how to avoid and address similar situations in the future; (6) monitor anti-money laundering requirements and compliance; (7) monitor the compliance communication programme for the Corporation; (8) monitor the performance of the Compliance Programme and related activities on a continuing basis, taking appropriate steps to improve its effectiveness; and (9) provide updates to the Audit Committee, as necessary, regarding the operation and progress of compliance efforts.

The Compliance Committee held three meetings during the year ended 31 December 2020.

Insider trading policy

The Corporation has adopted an insider trading policy, effective 28 March 2019, prohibiting trading in designated blackout periods by directors, officers and certain key employees or members of their immediate families. In addition, these persons are prohibited from purchasing, selling or writing calls, puts or other options or derivative instruments on Bally's Shares, or otherwise pledging shares of Corporation securities as collateral or security for indebtedness. The "no hedging or pledging" policy is intended to apply to transactions that could be deemed to be speculative, such as short sales, options trading or other similar derivative transactions in Corporation securities, and hedging transactions, including zero-cost collars and forward sale contracts in which the individual continues to own the underlying security without the full risks and rewards of ownership.

City Code and statutory squeeze out provisions

As the Corporation is incorporated and registered in the United States, the City Code will not apply to the Corporation and a takeover offer by the Corporation will not be regulated by the Panel.

The Corporation is a Delaware corporation and is subject to the DGCL. The factors and considerations described below may make it more difficult and expensive for a third party to acquire control of the Corporation even if a change of control would be beneficial to the interests of the Bally's Shareholders. In

addition, the DGCL includes a provision allowing for a merger of a parent corporation with a subsidiary corporation without a vote of stockholders, provided that the parent corporation owns at least 90% of the outstanding voting shares of each class of stock of such subsidiary corporation.

Delaware Business Combination Statute

The Corporation is subject to section 203 of the DGCL which, in general, prohibits an interested shareholder of a Delaware corporation (generally defined as a person who owns 15% or more of a corporation's outstanding voting stock) from engaging in a business combination with that corporation for three years following the date such person became an interested shareholder. The three-year moratorium is not applicable when:

- prior to the date that the shareholder became an interested shareholder, the board of directors of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;
- upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, such interested shareholder owned at least 85% of the outstanding voting stock of the corporation (excluding shares owned by directors who are also officers of the corporation and by certain employee stock plans); or
- on or subsequent to the date that the shareholder becomes an interested shareholder, the business combination is approved by the board of directors of the corporation and by the affirmative vote at a meeting of shareholders of at least two-thirds of the outstanding voting stock entitled to vote thereon, excluding shares owned by the interested shareholder.

These restrictions of the DGCL generally do not apply to business combinations with an interested shareholder that are proposed subsequent to the public announcement of, and prior to the consummation or abandonment of, certain mergers, sales of 50% or more of a corporation's assets or tender offers for 50% or more of a corporation's voting stock.

Limits on actions of the Bally's Shareholders by written consent

Actions of the shareholders may only be taken by written consent, without a meeting, without prior written notice and without a vote, if a consent or consents in writing, setting out the action so taken, is signed by the holders of all of the issued shares entitled to vote to take such action at any annual or special meeting of the shareholders that is delivered to the corporation by delivery to its registered office, its principal place of business or an office or agent of the corporation having custody of the books in which proceedings or meetings of shareholders are recorded.

No cumulative voting

Under Delaware law, the right to vote cumulatively in the election of directors does not exist unless a corporation's certificate of incorporation specifically authorises cumulative voting.

Anti-takeover Effects of Certain Provisions of the Corporation's Certificate of Incorporation and the Bylaws

In addition to regulatory requirements applicable to the Bally's Group and the ownership of its shares (see "*Risk Factors—Gamesys Shareholders receiving New Bally's Shares in the Combination will become Shareholders in a Delaware corporation*"), and some provisions of the DGCL, the Corporation's Certificate of Incorporation and its Bylaws could have the effect of delaying, deferring or discouraging another party from acquiring control of the Corporation. These provisions, which are summarised below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Corporation to first negotiate with the Bally's Board.

Requirements for Advance Notification of Stockholder Nominations and Proposals and Director Qualification Requirements

The Bylaws establish advance notice procedures with respect to stockholder proposals, other than proposals made by or at the direction of the Bally's Board. Proper notice must be timely, in proper written form, and must set forth certain details of the nomination or proposal. The Chairman of the meeting may determine that a nomination or proposal was defective and should be disregarded. In addition, the Bylaws provide that no person may serve as a member of the Bally's Board, or be elected or nominated for such a position, unless, at the time of such service, election or nomination, such person has been licenced by applicable regulatory authorities. Together, these provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed, and may also discourage or deter a

potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Bally's Group.

Classified Board of Directors

The Corporation's Certificate of Incorporation provides that the Board is divided into three classes, each of which will hold office for a three-year term.

Calling Special Stockholder Meetings

The Bylaws provide that special meetings of its stockholders may be called only by the Chairman of the Bally's Board, by a majority of the whole board or by holders of the Bally's who hold at least 20% of the outstanding common stock entitled to vote generally in the election of directors.

Removal of Directors

The Bylaws state that any director or the entire Bally's Board may be removed only for cause by the holders of a majority of the shares then entitled to vote at an election of directors.

Limitation on Financial Interest

The Corporation's Certificate of Incorporation and the Bylaws provide that the Bally's Group may not permit any person or entities to acquire a direct or an indirect entity or economic interest in it equal to or greater than 5% of any class of equity or economic interests without the approval of the relevant gaming authorities (subject to certain specified exceptions).

Any transfer of shares of Bally's Shares that results in a person acquiring more than such 5% threshold shall not be recognized until the relevant gaming authorities have consented to such transfer. The Corporation's Certificate of Incorporation also provides that an additional licence or consent from the gaming authorities is required for ownership equal to or greater than 20% of any class of equity interests of the Corporation. In addition, the Bylaws also include limitations and restrictions on ownership of common stock relating to regulatory requirements and licences, including restrictions on transfers that would violate applicable gaming laws and repurchase rights in the event that stockholders are determined to be unsuitable to hold the Bally's Shares.

The Bylaws impose additional restrictions to ensure compliance with relevant gaming and regulatory requirements, including the Corporation's ability to withhold dividend payments and redeem or purchase a holder's common stock if a gaming authority or the Bally's Board determines the holder to be an "unsuitable person" as defined in certain gaming laws.

Undesignated Preferred Stock

The authorization of undesignated preferred stock in the Corporation's Certificate of Incorporation makes it possible for the Corporation's board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Corporation. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of the Corporation.

PART XI

CAPITALISATION AND INDEBTEDNESS

“The following table sets forth the Bally’s Group’s cash and cash equivalents and capitalization as of December 31, 2020:

- on an actual basis;
- on an as adjusted basis to give effect to the Equity Offering; and
- on a *pro forma* basis to give effect to the Equity Offering and the Combination, collectively, the “Transactions,” on a basis consistent with the Unaudited *Pro Forma* Condensed Combined Financial Information set forth herein.

The following table does not reflect the sale of any shares that may be sold to the respective underwriters of the Equity Offering upon exercise of their respective options to purchase additional shares. If the underwriters exercise such options, we expect that the proceeds from such sales will be used to fund a portion of the purchase price of the Combination.

Consistent with the Unaudited *Pro Forma* Condensed Combined Financial Information set forth therein, the following amounts set forth to give *pro forma* effect to the “Transactions” assume (i) the minimum number of Bally’s shares to be issued in connection with the Combination per agreement with certain Gamesys shareholders is 9,605,201, (ii) the lenders under the Bridge Facility provide financing necessary to pay the cash portion of the consideration payable to Gamesys’ shareholders (\$2,143 million) upon consummation of the Combination and related fees and expenses of \$14.3 million, with remaining proceeds from the Bridge Facility, together with partial proceeds from the Equity Offering, utilized to repay the outstanding balance of Gamesys’ EUR and GBP Term Facilities (\$693 million); (iii) the purchase by GLPI of shares of Bally’s common stock, or, subject to U.S. regulatory requirements, warrants, with a value of up to \$500 million and (iv) the issuance of 11,000,000 shares in the Equity Offering. In lieu of the Bridge Commitment and the GLPI Commitment, we may pursue one or more offerings of private placements of debt or equity securities, sale and leaseback transactions and/or bank financings, in each case, to finance the Combination (including the refinancing of existing indebtedness of Gamesys) and/or refinance the Bally’s Group’s existing credit facilities and senior unsecured notes. See “—*Risk Factors Relating to the Combination—The unaudited pro forma* condensed combined financial information and other adjusted information included in this Prospectus is unaudited and the actual financial condition and results of operations after the Combination may differ materially.”

You should read this table in conjunction with Part XIII (“*Bally’s Operating and Financial Review*”) Part XIV (“*Bally’s Financial Information*”).

As of December 31, 2020

<i>(unaudited, in millions)</i>	Actual	As Adjusted for the Equity Offering	As Further Adjusted for the Transactions
Cash and cash equivalents ⁽¹⁾	\$123.4	\$123.4	\$402.6
Debt:			
Short-term debt	5.8	5.8	5.8
Long-term debt.....	1,094.1	510.3	2,874.3
Total debt	\$1,099.9	\$516.0	\$2,880.1
Stockholders' equity:			
Common stock \$0.01 par value, 100,000,000 shares authorized, actual and as adjusted; 31,315,151 shares issued, actual; 42,315,151 shares issued and outstanding, as adjusted for the Equity Offering; 59,983,567 shares issued and outstanding, as further adjusted for the Transactions ⁽²⁾	0.3	0.4	0.6
Additional paid-in capital	294.6	899.5	1,995.0
Retained earnings.....	34.8	13.6	(7.9)
Accumulated other comprehensive loss	(3.1)	(3.1)	(3.1)
Treasury stock, at cost: 0 shares of common stock, actual, as adjusted and as further adjusted	—	—	—
Total stockholders' equity (deficit).....	\$326.6	\$910.4	\$1,984.6
Total capitalization	\$1,426.5	\$1,426.5	\$4,864.6

(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) The number of issued and outstanding shares, actual and as adjusted, excludes (i) 60,000 shares issuable upon the exercise of options outstanding as of 28 May 2021, having a weighted-average exercise price of \$4.31 per share, under the Bally's Group's equity incentive plan; (ii) 925,865 shares of common stock underlying outstanding restricted stock units and other equity awards reserved for future issuance under existing compensation plans; (iii) 3,757,534 shares of common stock available to be granted under the Bally's Group's existing equity plans, (iv) up to 12,830,730 shares of common stock that may become issuable upon exercise of option and warrants issued in connection with the Bally's Group's strategic partnership with Sinclair; (v) up to 812,161 shares of the Bally's Group's common stock that may become issuable upon exercise of penny warrants issued in connection with the Bally's Group's acquisition of Monkey Knife Fight; and (vi) up to 217,857 shares of the Bally's Group's common stock that may be issuable to SportCaller selling stockholders in connection with achievement of certain post-closing performance targets in connection with the Bally's Group's acquisition of SportCaller. Except as set forth above under "as further adjusted for the Transactions," the number of issued and outstanding shares does not include any shares (or warrants) that may be issued under the GLPI Commitment or any shares that may be issued to Gamesys shareholders in the Combination.

PART XII

BALLY'S SELECTED FINANCIAL INFORMATION

The following is a summary of the Bally's financial information for the three months ended 31 March 2021, and the financial years ended 31 December 2020, 2019 and 2018. The financial information included in this Part XII ("**Bally's Selected Financial Information**") has been extracted without material adjustment from Bally's unaudited condensed consolidated financial statements and Bally's audited consolidated financial statements as set out in Part XIV ("**Bally's Financial Information**"). This summary should be read in conjunction with that information and with Part XIII ("**Bally's Operating and Financial Review**"). Gamesys Shareholders and potential investors are advised to read the whole of this Prospectus and not rely on the information summarised in this Part XII ("**Bally's Selected Financial Information**"). Historical results are not indicative of the results to be expected in the future.

Bally's consolidated financial statements are prepared in accordance with U.S. GAAP whereas Gamesys' consolidated financial statements are prepared in accordance with IFRS. U.S. GAAP differs from IFRS in a number of significant respects. Bally's has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for Gamesys Shareholders or potential investors. In making an investment decision, Gamesys Shareholders and potential investors must rely on their own examination of the Bally's Group, the terms of the Combination and the financial information in this Prospectus. Gamesys Shareholders and potential investors should consult their own professional advisers for an understanding of the differences between IFRS as adopted by the E.U. and U.S. GAAP.

(In thousands, except per share data)	Three Months Ended March 31,		Year Ended December 31,		
	2021 ^(a)	2020 ^(b)	2020 ^(c)	2019 ^(d)	2018 ^(e)
Statement of Operations Data:					
Total revenue	\$192,266	\$109,148	\$372,792	\$523,577	\$437,537
Income (loss) from operations.....	29,474	(3,169)	(18,386)	114,626	120,649
Income (loss) before provision for income taxes	(15,535)	(14,542)	(74,811)	75,180	97,797
Net (loss) income.....	(10,705)	(8,878)	(5,487)	55,130	71,438
Net (loss) income applicable to common stockholders.....	(10,705)	(8,878)	(5,487)	55,130	72,078
Per Common Share Data:					
Net (loss) income per share, basic.....	\$(0.30)	(0.28)	\$(0.18)	\$1.46	\$1.95
Net (loss) income per share, diluted.....	\$(0.30)	(0.28)	\$(0.18)	\$1.46	\$1.87
Cash dividends declared per share.....	\$—	—	\$0.10	\$0.20	\$—
Balance Sheet Data:					
Cash and cash equivalents.....	\$151,653	\$361,591	\$123,445	\$182,581	\$77,580
Total assets.....	2,138,800	1,215,323	1,929,855	1,021,887	782,352
Long-term debt, net of current portion	1,128,599	930,304	1,094,105	680,601	390,578
Total stockholders' equity	454,697	171,019	326,598	211,411	298,660
Other Financial Data:					
Adjusted EBITDA ^(f)	\$52,475	\$22,061	\$70,402	\$167,150	\$165,697

(a) Includes the results of Horses Mouth Limited d/b/a SportCaller and Fantasy Sports Shark, LLC d/b/a Monkey Knife Fight.

(b) Includes the results of Black Hawk Casinos (includes the Golden Gates, Golden Gulch and Mardi Gras casinos).

(c) Includes the results of IOC – Kansas City, Inc. and Rainbow Casino – Vicksburg Partnership, L.P. from the date of their acquisitions on July 1, 2020 and the results of Eldorado Resort Casino Shreveport from the date of its acquisition on December 23, 2020.

(d) Includes the results of Dover Downs Gaming & Entertainment, Inc. (Dover Downs Hotel and Casino) from the date of its acquisition on March 28, 2019.

(e) Includes the results of Twin River-Tiverton, LLC (Twin River Casino Hotel) from its opening on September 1, 2018 and the results of Premier Entertainment II, LLC (Newport Grand Casino) up until its closing on August 28, 2018.

(f) "Adjusted EBITDA" is defined as earnings before interest expense, net of interest income, provision for income taxes, depreciation and amortization, non-operating income, acquisition, integration and restructuring expense, expansion and pre-opening expenses, Newport Grand disposal loss, goodwill impairment, share-based compensation, rebranding, change in fair value of naming rights liabilities, gain on bargain purchases, professional and advisory fees associated with capital return program, credit agreement amendment expenses, storm related losses, net of insurance recoveries, pension withdrawal expense and certain other gains or losses as well as, when presented for the Corporation's reporting segments, an adjustment related to the allocation of corporate cost among segments. Adjusted EBITDA margin is measured as Adjusted EBITDA as a percentage of revenue. Below is a reconciliation of net income (loss) to Adjusted EBITDA for the periods presented. For further discussion of Adjusted EBITDA and its limitations, see "Special Note Regarding Non-GAAP Financial Measures."

PART XIII

BALLY'S OPERATING AND FINANCIAL REVIEW

*The following discussion and analysis should be read in conjunction with the financial information on the Bally's Group set out in Part XII ("**Bally's Selected Financial Information**") and Part XIV ("**Bally's Financial Information**"). The financial information included in this Part XIII ("**Bally's Operating and Financial Review**") has been extracted without material adjustment from the financial information referred to in Part XIV ("**Bally's Financial Information**") or has been extracted without material adjustment from Bally's accounting records, which formed the underlying basis of the financial information referred to in Part XIV ("**Bally's Financial Information**").*

*Some of the information contained in this Part XIII ("**Bally's Operating and Financial Review**"), including information in respect of Bally's plans and strategies for its business and expected sources of financing, contains certain forward-looking statements that reflect the Bally's Group's plans, estimates and beliefs and that may involve risks and uncertainties. The Bally's Group's actual results may also differ materially from those discussed in these forward-looking statements. Gamesys Shareholders and potential investors should read Part V ("**Presentation of Information**") for a discussion of the risks and uncertainties related to those statements and should also read Part II ("**Risk Factors**") for a discussion of certain factors that may affect the business, results of operations or financial condition of the Bally's Group or the Combined Group.*

Bally's consolidated financial statements are prepared in accordance with U.S. GAAP whereas Gamesys' consolidated financial statements are prepared in accordance with IFRS. IFRS differs from U.S. GAAP in a number of significant respects. Bally's has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for Gamesys Shareholders or potential investors. In making an investment decision, Gamesys Shareholders and potential investors must rely on their own examination of the Bally's Group, the terms of the Combination and the financial information in this Prospectus. Gamesys Shareholders and potential investors should consult their own professional advisers for an understanding of the differences between IFRS as adopted by the E.U. and U.S. GAAP.

*The following information should be read in conjunction with the information contained in Part XVII ("**Unaudited Pro Forma Financial Information of the Combined Group**"), which illustrates the effect of the Combination on the Combined Group.*

A. Three months' ended 31 March 2021

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Bally's Group reported revenue and income from operations of \$192.3 million and \$29.5 million, respectively, for the three months ended March 31, 2021, compared to revenue and loss from operations of \$109.1 million and \$3.2 million, respectively, for the same period last year. The first quarter of 2021 continued to be negatively affected by the COVID-19 pandemic and the restrictions on the Bally's Group's properties. In the prior year, the Bally's Group's properties were closed from mid-March into June 2020.

Other notable factors affecting the Bally's Group's results for the three months ended March 31, 2021 compared to the prior year comparable period are as follows:

- Revenue increased 76.2% to \$192.3 million driven by \$78.6 million of aggregate revenue from prior year acquisitions including Casino KC and Casino Vicksburg (\$27.4 million), Bally's Atlantic City (\$25.7 million) and Shreveport (\$25.5 million);
- Gain from insurance recoveries, net of losses of \$10.7 million primarily attributable to insurance proceeds received due to the effects of Hurricane Zeta in the fourth quarter of 2020 at Hard Rock Biloxi
- Strong operational efficiencies which positively impacted margins, a continued a trend noted since re-opening from the pandemic. Income from operations increased \$32.6 million, or 1,030.1%, \$29.5 million with operating margin increasing 1823 bps to 15.33%; and
- Interest expense, net of interest income, increased \$9.3 million to \$20.8 million due to debt obligations outstanding in each respective period coupled with timing and differences in interest rates.

Results of Operations

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

<i>(In millions)</i>	Three Months Ended March 31,	
	2021	2020
Total revenue	\$192.3	\$109.1
Income (loss) from operations.....	29.5	(3.2)
Net loss	(10.7)	(8.9)

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

<i>(In millions)</i>	Three Months Ended March 31⁴	
	2021	2020
Total revenue	100.0%	100.0%
Gaming, racing, hotel, food and beverage, retail, entertainment and other expenses	34.5%	40.4%
Advertising, general and administrative.....	41.9%	45.5%
Goodwill and asset impairment.....	—%	8.0%
Other operating costs and expenses	1.6%	0.8%
Depreciation and amortization.....	6.7%	8.2%
Total operating costs and expenses	84.7%	102.9%
Income (loss) from operations.....	15.3%	(2.9)%
Other income (expense)		
Interest income.....	0.3%	0.1%
Interest expense	(10.8)%	(10.6)%
Change in value of naming rights liabilities.....	(14.3)%	—%
Other, net	1.4%	—%
Total other expense, net.....	(23.4)%	(10.4)%
Loss before provision for income taxes.....	(8.1)%	(13.3)%
Benefit for income taxes.....	(2.5)%	(5.2)%
Net loss	(5.6)%	(8.1)%

4 Amounts in table may not subtotal due to rounding.

Segment Performance

The following table sets forth certain financial information associated with results of operations for the three months ended March 31, 2021 and 2020. Non-gaming revenue includes hotel, food and beverage and other revenue. Non-gaming expenses include hotel, food and beverage and retail, entertainment and other expenses. All amounts are before any allocation of corporate costs.

<i>(In thousands, except percentages)</i>	Three Months Ended March 31,			
	2021	2020	\$ Change	% Change
Revenue:				
Gaming and Racing revenue				
Rhode Island	\$44,580	£43,962	\$618	1.4%
Mid-Atlantic	33,111	12,507	20,604	164.7%
Southeast	52,201	16,718	35,483	212.2%
West	24,033	3,788	20,245	534.5%
Other	1,353	1,818	(465)	(25.6)%
Total Gaming and Racing revenue	155,278	78,793	76,485	97.1%
Non-game revenue				
Rhode Island	6,100	12,317	(6,217)	(50.5)%
Mid-Atlantic	15,243	8,579	6,664	77.7%
Southeast	12,374	8,764	3,610	41.2%
West	2,109	675	1,434	212.4%
Other	1,162	20	1,142	5,710.0%
Total Non-gaming revenue	36,988	30,355	6,633	21.9%
Total revenue	192,266	109,148	83,118	76.2%
Operating costs and expenses:				
Gaming and Racing expenses				
Rhode Island	\$8,638	\$11,257	\$(2,619)	(23.2)%
Mid-Atlantic	11,842	4,633	7,209	155.6%
Southeast	17,189	6,517	10,672	163.8%
West	8,657	1,991	6,666	334.8%
Other	928	1,222	(294)	(24.1)%
Total Gaming and Racing expenses	47,254	25,620	21,634	84.4%
Non-gaming expenses				
Rhode Island	2,661	7,460	(4,799)	(64.3)%
Mid-Atlantic	9,703	5,956	3,747	62.9%
Southeast	5,041	4,976	65	1.3%
West	1,224	105	1,119	1,065.7%
Other	526	1	525	52,500.0%
Total Non-gaming expenses	19,155	18,498	657	3.6%
Advertising, general and administrative				
Rhode Island	15,405	19,023	(3,618)	(19.0)%
Mid-Atlantic	24,687	7,667	17,020	222.0%
Southeast	15,961	8,700	7,261	83.5%
West	7,135	1,997	5,138	257.3%
Other	17,311	12,222	5,089	41.6%
Total Advertising, general and administrative	80,499	49,609	30,890	62.3%
Margins:				
Gaming and Racing expenses as a percentage of Gaming and Racing revenue	30%	33%		(3)%
Non-gaming expenses as a percentage of Non-gaming revenue	52%	61%		(9)%
Advertising, general and administrative as a percentage of Total revenue	42%	45%		(3)%

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Revenue

Revenue for the three months ended March 31, 2021 increased 76.2% to \$192.3 million, from \$109.1 million in the same period last year. Gaming and racing revenue increased \$76.5 million, or 97.1%, to \$155.3 million and non-gaming revenue increased \$6.6 million, or 21.9%, to \$37.0 million, both for the three months ended March 31, 2021 compared to the same period last year. The increase in revenue year-over-year was driven by revenue from acquisitions which closed in the second half of 2020, including Casino KC and Casino Vicksburg, acquired on July 1, 2020, Bally's Atlantic City, acquired on November 18, 2020, and Shreveport acquired on December 23, 2020, which in the aggregate contributed \$78.6 million to total revenue in the first quarter 2021. The Black Hawk Casinos, which were acquired on January 23, 2020, also contributed incremental revenue of \$0.6 million in the first quarter 2021 compared to the same period last year. This increase was offset by the negative impact of continued COVID-19 related restrictions on the Bally's Group's operations and service offerings as compared to the first quarter of the prior year, when the Bally's Group's properties were shut-down on March 16, 2020 into June 2020.

Operating costs and expenses

Gaming and racing expenses for the three months ended March 31, 2021 increased \$21.6 million, or 84.4%, to \$47.3 million from \$25.6 million in 2020. This increase was primarily attributable to the inclusion of Shreveport, Bally's Atlantic City, Casino KC and Casino Vicksburg, all acquired in the second half of 2020, which contributed an aggregate \$25.0 million of gaming and racing expenses during the three months ended March 31, 2021, partially offset by decreased gaming and racing expenses from the Bally's Group's other properties due to the mandated shut-down of the Bally's Group's facilities in mid-March of 2020 as of result of the COVID-19 pandemic.

Non-gaming expenses for the three months ended March 31, 2021 increased \$0.7 million, or 3.6%, to \$19.2 million from \$18.5 million in the same period last year. This slight increase was primarily attributable to the inclusion of Bally's Atlantic City, Shreveport, Casino KC and Casino Vicksburg, which were acquired in the second half of 2020 and contributed \$9.3 million of non-gaming expenses for the three months ended March 31, 2021 offset by a reduction in non-gaming expenses at the Bally's Group's other properties attributable to continued restrictions on operations and amenities as a result of the COVID-19 pandemic.

Advertising, general and administrative

Advertising, general and administrative expense for the three months ended March 31, 2021 increased \$30.9 million, or 62.3%, to \$80.5 million from \$49.6 million in the same period last year. The increase in advertising, general and administrative expense year-over-year is primarily due to the additions of Bally's Atlantic City, Shreveport, Casino KC and Casino Vicksburg, all acquired in the second half of 2020, which contributed \$30.9 million of advertising, general and administrative expenses in the quarter.

Acquisition, integration and restructuring

The Bally's Group incurred \$12.3 million of acquisition, integration and restructuring expense during the three months ended March 31, 2021, compared to \$1.8 million in the same period last year. This increase was driven by \$6.2 million of expenses incurred in the first quarter of 2021 attributable to the Bally's Group's offer to acquire Gamesys on April 13, 2021, \$2.8 million of costs related to the acquisitions of MKF and SportCaller and \$1.2 million of costs related to the Bally's Group's Richmond, VA development proposal, which the Bally's Group is no longer pursuing at this time.

Other operating costs and expenses

During the three months ended March 31, 2021, the Corporation recorded Gain from insurance recoveries, net of losses of \$10.7 million primarily attributable to insurance proceeds received due to the effects of Hurricane Zeta which made landfall in Louisiana shutting down the Bally's Group's Hard Rock Biloxi property for three days during the fourth quarter of 2020. Additionally, during the three months ended March 31, 2021, the Bally's Group recorded rebranding expense of \$0.9 million in connection with the Bally's Group's corporate name change to Bally's Corporation in November 2020. During the three months ended March 31, 2020, the Bally's Group recorded an impairment charge of \$8.7 million as a result of an impairment analysis performed on goodwill and intangible assets acquired in connection with the Bally's Group's acquisition of the Black Hawk Casinos due to current and expected future economic and market conditions surrounding the COVID-19 pandemic. Additionally, during the first quarter of 2020, the Bally's Group recorded a gain on insurance recoveries of \$0.9 million related to proceeds received for a damaged roof at the Corporation's Arapahoe Park racetrack.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2021 was \$12.8 million, an increase of \$3.8 million, or 42.4%, compared to the same period last year. The increase in depreciation and amortization is attributable to the addition of properties acquired in the second half of 2020, including Shreveport, Casino KC, Casino Vicksburg and Bally's Atlantic City, as well as expenses from SportCaller, which contributed an aggregate \$4.7 million of depreciation and amortization expense in the first quarter of 2021.

Income (loss) from operations

Income from operations was \$29.5 million, or 15.33% as a percentage of total revenue, for the three months ended March 31, 2021 compared to a loss from operations of \$3.2 million, or (2.90)% as a percentage of total revenue, in the same period last year. This increase in income from operations is due to the benefit from the acquisitions of Shreveport, Casino KC and Casino Vicksburg which contributed \$14.0 million to income from operations. Additionally, the Bally's Group is now experiencing higher operating margins as a result of cost reduction efforts the Bally's Group made throughout 2020 in an effort to minimize variable costs and fixed property level costs and corporate expenses to protect the Bally's Group's financial position in response to the COVID-19 pandemic.

Other income (expense)

Total other expense increased \$33.6 million to \$45.0 million for the first quarter of 2021 from other expense of \$11.4 million in the same period last year. The increase in other expense was driven primarily by expense associated with the change in naming rights liability associated with the Bally's Group's contracts with Sinclair Broadcast group of \$27.4 million. Refer to Note 1 "General Information" of Section A of Part XIV ("**Bally's Financial Information**") for further information. Additionally, interest expense was \$20.8 million for the first quarter of 2021, an increase of \$9.3 million from \$11.5 million in the same period last year, due to increased borrowings and higher interest rates year-over-year.

Benefit for income taxes

Benefit for income taxes for the three months ended March 31, 2021 decreased \$0.8 million year-over-year. The effective tax rate for the quarter was 31.1% compared to 38.9% for the three months ended March 31, 2020. This decrease is primarily attributable to the removal of the favorable carryback rate available during 2020 as a result of the CARES Act, offset by less federal benefit on state taxes. In addition, there was a tax windfall on equity awards during the three months ended March 31, 2021 versus a tax shortfall during the three months ended March 31, 2020.

Net loss and net loss per share

Net loss for the three months ended March 31, 2021 was \$10.7 million, or \$0.30 per diluted share, compared to a net loss \$8.9 million, or \$0.28 per diluted share, for the three months ended March 31, 2020.

Adjusted EBITDA by Segment

Consolidated Adjusted EBITDA was \$52.5 million for the three months ended March 31, 2021, up \$30.4 million, or 137.9%, from \$22.1 million in the same period last year. Adjusted EBITDA for the Southeast segment increased \$21.1 million, or 398.9%, to \$26.4 million from \$5.3 million in the same period last year driven by the acquisitions of Shreveport and Casino Vicksburg in the second half of 2020. The West segment increased \$8.8 million to \$9.2 million from \$0.4 million in the first quarter last year driven by the acquisition of Casino KC on July 1, 2020. Adjusted EBITDA for the Rhode Island increased \$5.4 million, or 29.3%, to \$24.0 million in the first quarter of 2021 mainly due to cost reduction efforts in the response to the COVID-19 pandemic. Adjusted EBITDA for the Mid-Atlantic segment decreased \$0.7 million to \$2.1 million in the first quarter of 2021 from \$2.8 million in the same period last year as negative performance at Bally's Atlantic City, which was acquired in late 2020 and typically loses money in winter months, more than offset year-over-year adjusted EBITDA increases at Dover Downs.

The following tables reconcile Adjusted EBITDA, a non-GAAP measure, to net income (loss), as derived from the Bally's Group's financial statements (in thousands):

Three Months Ended March 31, 2021

	Rhode Island	Mid-Atlantic	Southeast	West	Other	Total
Revenue	\$50,680	\$48,354	\$64,575	\$26,142	\$2,515	\$192,266
Net income (loss).....	\$12,738	\$(1,469)	\$22,934	\$4,685	\$(49,593)	\$(10,705)
Interest expense, net of interest income..	—	19	(8)	—	20,263	20,274
Provision (benefit) for income taxes	4,609	(815)	6,648	1,504	(16,776)	(4,830)
Depreciation and amortization.....	3,539	2,031	4,318	1,654	1,244	12,786
Non-operating income	—	—	—	—	(2,671)	(2,671)
Acquisition, integration and restructuring	—	—	—	—	12,258	12,258
Expansion and pre-opening expenses	603	—	—	—	—	603
Share-based compensation.....	—	—	—	—	4,483	4,483
Rebranding.....	—	—	—	—	913	913
Change in value of naming rights	—	—	—	—	—	—
liabilities.....	—	—	—	—	27,406	27,406
Credit Agreement amendment expenses ⁵	—	—	—	—	714	714
Gain from insurance recoveries, net of	—	—	(10,676)	—	—	(10,676)
losses ⁶	—	—	—	—	—	—
Bet.Works and Sinclair ⁷	—	—	—	—	1,355	1,355
Sports and iGaming licensing ⁸	—	—	—	—	386	386
Other ⁹	—	—	—	29	150	179
Allocation of corporate costs	2,487	2,356	3,168	1,283	(9,294)	—
Adjusted EBITDA	\$23,976	\$2,122	\$26,384	\$9,155	\$(9,162)	\$52,475

- 5 Credit Agreement amendment expenses include costs associated with amendments made to the Corporation's Credit Agreement.
- 6 Represents insurance recovery proceeds received offset by losses attributable to damage at Hard Rock Biloxi from Hurricane Zeta.
- 7 Expenses incurred to establish the partnership with Sinclair and acquisition costs attributable to the Bet.Works acquisition.
- 8 Represents costs incurred to apply for and obtain sports and iGaming licenses in various jurisdictions.
- 9 Other includes the following items for the period (i) costs incurred in connection with the implementation of a new human resources information system, (ii) expenses incurred associated with the Rhode Island State Police investigation into a former tenant in the Lincoln property and a former employee of the Corporation, (iii) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements), and (iv) expenses incurred associated with the campaign attempting to create an open bid process for the Rhode Island Lottery Contract.

Three Months Ended March 31, 2021

	Rhode Island	Mid-Atlantic	Southeast	West	Other	Total
Revenue	\$56,279	\$21,086	\$25,482	\$4,463	\$1,838	\$109,148
Net income (loss).....	\$8,083	\$205	\$1,408	\$ (5,996)	\$ (12,578)	\$ (8,878)
Interest expense, net of interest income..	(36)	41	(8)	—	11,376	11,373
Provision (benefit) for income taxes	2,958	78	378	(2,976)	(6,102)	(5,664)
Depreciation and amortization.....	4,782	1,454	2,263	415	65	8,979
Acquisition, integration and restructuring	—	—	—	—	1,766	1,786
Goodwill and asset impairment.....	—	—	—	8,708	—	8,708
Share-based compensation.....	—	20	—	—	5,542	5,542
Professional and advisory fees associated	—	—	—	—	—	—
with capital return program.....	—	—	—	—	(16)	(16)
Credit agreement amendment expenses ¹⁰	—	—	—	—	239	239
Change in value of naming rights	—	—	—	—	—	—
liabilities.....	—	—	—	—	(16)	(16)
Credit Agreement amendment expenses.	—	—	—	—	239	239
Gain from insurance recoveries, net of	—	—	—	—	(883)	(883)
losses ¹¹	—	—	—	—	—	—
Other ¹²	—	—	—	—	875	875
Allocation of corporate costs	2,754	1,032	1,247	218	(5,251)	—
Adjusted EBITDA	\$18,541	\$2,830	\$5,288	\$369	\$(4,967)	\$22,061

- 10 Credit Agreement amendment expenses include costs associated with amendments made to the Corporation's Credit Agreement.
- 11 Gain related to insurance recovery proceeds received for a damaged roof at the Corporation's Arapahoe Park racetrack.
- 12 Other includes the following non-recurring items for the period (i) expenses incurred associated with the Rhode Island State Police investigation into a tenant in the Lincoln property and a former employee of the Corporation, (ii) expenses incurred associated with the campaign attempting to create an open bid process for the Rhode Island Lottery Contract, and (iii) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements), (iv) costs incurred in connection with the implementation of a new human resources information system.

Critical Accounting Policies and Estimates

There were no material changes in critical accounting policies and estimates during the three months ended 31 March 2021. Refer to Part for a complete list of the Bally's Group's Critical Accounting Policies and Estimates.

Recent Accounting Pronouncements

Refer to Note 2. "Recently Adopted and Issued Accounting Pronouncements" in Part I, Item 1 of Section A of Part XIV ("**Bally's Financial Information**") for a description of recent accounting pronouncements that affect the Bally's Group.

Liquidity and Capital Resources

The Bally's Group is a holding company. The Bally's Group's ability to fund its obligations depends on existing cash on hand, cash flow from the Bally's Group's subsidiaries and its ability to raise capital. The Bally's Group's primary sources of liquidity and capital resources have been cash on hand, cash flow from operations, borrowings under the Bally's Group's revolving credit facility and proceeds from the issuance of debt and equity securities.

The Bally's Group's strategy has been to maintain moderate leverage and substantial capital resources in order to take advantage of opportunities, to invest in its businesses and acquire properties at what the Bally's Group believe to be attractive valuations. As such, the Bally's Group continued to invest in its land-based casino business and began to build on the Bally's Group's interactive/iGaming gaming business despite the COVID-19 pandemic.

An existing credit facility provides for up to \$325 million of revolving credit borrowings, the undrawn balance of which was \$250 million at March 31, 2021. The Bally's Group's weighted average cost of debt was 6.24% per annum for the 12 months ended March 31, 2021. Based on existing debt market conditions, the Bally's Group expect to be able to reduce the all-in cost of its debt through the refinancings the Bally's Group contemplate but there necessarily can be no assurance of this.

As of March 31, 2021, the Bally's Group had agreements to complete acquisitions with a total cash outlay, net of proceeds from expected sale lease back transactions of acquisitions, totaling \$197.5 million. The Bally's Group expect that its current liquidity, cash flows from operations and borrowings under the Bally's Group's credit facility will be sufficient to fund these commitments. The Bally's Group's investment and acquisition capacity was \$331.7 million under the Bally's Group's revolving credit facility as of March 31, 2021.

On April 13, 2021, the Bally's Group announced that it had reached an agreement to acquire Gamesys for a combination of cash and shares of the Bally's Group's common stock. Under the terms of the agreement, Gamesys shareholders will have the option to receive, for each share of Gamesys, 1,850 pence in cash or shares of the Bally's Group's common stock (at an exchange ratio of 0.343 for each Gamesys share) or a combination of both. The transaction is conditioned on, among other things, the approval of the Bally's Group's and Gamesys' shareholders and regulatory approval. Certain of Gamesys' current shareholders holding 25.6% of Gamesys' shares have agreed to receive shares of the Bally's Group's common stock in the transaction. If only these committed Gamesys holders elect to receive shares of the Bally's Group's common stock, the maximum cash consideration payable to Gamesys shareholders would amount to approximately £1.6 billion. The Bally's Group arranged a \$2.1 billion bridge loan facility as required by U.K. law to cover the maximum amount of cash payable in the transaction. The Bally's Group expects to refinance the bridge loan, as well as the Bally's Group's and Gamesys' existing debt, later this year depending on market conditions.

On April 20, 2021, the Bally's Group completed a public offering of 12,650,000 common shares at a price to the public of \$55.00 per share and the sale of warrants to purchase 909,090 shares to affiliates of Sinclair Broadcast Group, Inc. at the same offering price. The net proceeds from the offering and the warrant sale, after deducting underwriting discounts and estimated expenses, were £485 million or \$671 million. The Bally's Group expects to use these proceeds for the acquisition of Gamesys and, as such, the Bally's Group deposited the net proceeds into an escrow account and reduced the Gamesys bridge loan commitment by the same amount. These funds in escrow will be classified as restricted cash until the Bally's Group receives regulatory approvals.

The Bally's Group entered into foreign exchange contracts to hedge the risk of appreciation of the Gamesys' GBP-denominated purchase price and the GBP- and Euro-denominated debt to be paid off at closing.

In addition to the capital required to complete the proposed acquisition of Gamesys, the Bally's Group expect that the Bally's Group's primary capital requirements going forward will relate to the operation, maintenance and improvement of the Bally's Group's properties the Bally's Group acquired and debt service, rent and acquisition payments. The Bally's Group's capital expenditure requirements are expected to moderately increase as a result of the properties acquired in the last 18 months. The Bally's Group has a \$40 million planned redevelopment project for the Casino KC property which it acquired in 2020 and the Bally's Group plan to invest \$90 million in the Bally's Group's Atlantic City property which it acquired in 2020 over five-years. In addition, the Bally's Group signed an agreement to jointly design and build a new casino in Centre County, Pennsylvania, in which the Bally's Group is a 51% owner. The Bally's Group estimates the total cost of the project, including construction, licensing and sports betting/iGaming operations, at \$120 million. The Bally's Group may also commence its expansion and other capital improvements at the Bally's Group's Twin River Casino Hotel location related to its proposed partnership with IGT. The Bally's Group expects to use cash on hand and cash generated from operations to meet such obligations. For the three months ended March 31, 2021, capital expenditures were \$15.3 million, compared to \$3.0 million in the same period last year.

The Bally's Group expects that the Bally's Group's current liquidity, cash flows from operations and borrowings under the Bally's Group's credit facility will be sufficient to fund the Bally's Group's operations, capital requirements and service the Bally's Group's outstanding indebtedness for the next 12 months, including giving effect to its pending acquisitions. However, the COVID-19 pandemic has had, and is expected to continue to have, an adverse effect and caused, and may continue to cause, disruption in the financial markets. While the Bally's Group has undertaken efforts to mitigate the impacts of COVID-19 on the Bally's Group's business and maintain liquidity, the extent of the ongoing and future effects of the COVID-19 pandemic on the Bally's Group's business, results of operations and financial condition is uncertain and may adversely impact the Bally's Group's liquidity in the future. In addition, the Bally's Group's ability to access additional capital may also be adversely affected by restrictions on incurring additional indebtedness.

Cash Flows Summary

<i>(In thousands)</i>	Three Months Ended March 31,	
	2021	2020
Net cash provided by operating activities.....	\$25,870	\$17,312
Net cash used in investing activities.....	(28,884)	(53,450)
Net cash provided by financing activities.....	31,861	212,227
Net change in cash and cash equivalents and restricted cash.....	28,847	176,089
Effect of foreign currency on cash and cash equivalents.....	69	—
Cash and cash equivalents and restricted cash, beginning of period.....	126,555	185,502
Cash and cash equivalents and restricted cash, end of period.....	<u>\$155,471</u>	<u>\$361,591</u>

Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2021 was \$25.9 million, compared to net cash provided by operating activities of \$17.3 million for the three months ended March 31, 2020. This increase was primarily attributable to increased operating income from properties acquired during 2020.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2021 was \$28.9 million, a decrease of \$24.6 million compared to the three months ended March 31, 2020. The change was primarily driven by a reduction in cash paid for acquisitions year-over-year. In the first quarter of 2021, the Bally's Group paid \$22.7 million for MKF and SportCaller compared to \$50.5 million for the Black Hawk Casinos in the first quarter of 2020. Additionally, during the first quarter of 2021 the Bally's Group received \$10.5 million of insurance proceeds due to damage from Hurricane Zeta at the Bally's Group's Hard Rock Biloxi property in the first quarter of 2021, offset by a \$12.3 million increase in capital expenditures compared to the same period last year.

Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2021 was \$31.9 million compared to \$212.2 million for the three months ended March 31, 2020. In the first quarter of 2021, the Bally's Group had \$40.0 million of borrowings on the Bally's Group's revolving credit facility offset by payments for financing fees of \$5.8 million and \$1.4 million of term loan repayments. In the first quarter of 2020 the Bally's Group had \$250.0 million of borrowings on the Bally's Group's revolving credit facility offset by \$31.3 million spent on share repurchases and cash dividends paid of \$3.2 million.

Working Capital

At March 31, 2021, the Bally's Group's net working capital was \$163.2 million compared to \$145.8 million at December 31, 2020. The increase in net working capital of \$17.4 million was primarily attributable to \$40.0 million of proceeds received from the draw of the Bally's Group's revolving credit facility which drove the Bally's Group's cash and cash equivalents balance to \$151.7 million as of March 31, 2021 from \$123.4 million as of December 31, 2020, coupled with the timing of transactions in each respective period, as noted above.

B. Financial Year ended 31 December 2020

Executive Overview

The Bally's Group's objective is to be one of the leading omni-channel gaming and interactive entertainment companies in the U.S. During 2020, the Bally's Group has made great progress in its long-term growth and diversification strategy. Among other transactions, the Bally's Group has acquired the rights to the name "Bally's" in 2020 as part of its 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. The Bally's Group took other key steps to build its iGaming and sports betting business in the past year, including entering into a strategic partnership with Sinclair Broadcast Group to leverage the Bally's brand and combine its 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. The Bally's Group also signed definitive agreements to acquire 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. The Bet.Works acquisition closed on 28 May 2021. Earlier this year, the Bally's Group acquired SportsCaller, a leading B2B free-to-play game provider. See "the Bally's Group Strategy's – Recent and Pending Acquisitions, Development Projects and Other" for a description of the Bally's Group's recent and pending business acquisitions.

COVID-19 Pandemic

The Bally's Group also experienced unprecedented challenges resulting from the COVID-19 pandemic. In an effort to mitigate the spread of the virus, during the first quarter of 2020, the Bally's Group's regulators temporarily closed all of the Bally's Group's properties by 16 March 2020. By 17 June 2020, all of these properties, including the newly acquired Casino KC and Casino Vicksburg, had reopened. The Bally's Group's Rhode Island properties were closed again from 29 November through 20 December 2020.

The following is an update of re-openings and current operations by property:

- *Twin River Casino Hotel and Tiverton Casino Hotel* – The Rhode Island properties pre-opened on 8 June 2020 with very limited invitation-only guests allowed. Beginning 30 June 2020, the Bally's Group was able to open to the general public, at approximately 65% capacity, with half of VLTs and a limited number of table games (with a three-player limit). The properties were closed again from 29 November through 20 December 2020 due to a state-mandated pause to slow the spread of COVID-19. Currently, the properties are open to the general public and are operating at 65% capacity with about half of VLTs, and all table games (with a three-player limit) available. The hotels at the Rhode Island properties remain closed.
- *Hard Rock Biloxi* – The Biloxi property re-opened to the general public on 21 May 2020 at 50% capacity with 41% of VLTs, all table games (with a three-player limit) available and 75% of the hotel rooms available to guests. Currently, Hard Rock Biloxi is operating at 50% capacity with over 63% of VLTs and all table games (with a three-player limit) available, and the hotel is operating with all rooms available to guests.

- *Dover Downs Casino Hotel* – The Delaware property re-opened on 1 June 2020 at 30% capacity with 45% of VLTs. Table games (with a two -player limit) became available on 17 June 2020 and the hotel, at 60% room capacity, became available on 18 June 2020. Currently, the property is operating at approximately 60% capacity with 52% of VLTs and 89% of table games (with a four-player limit) available, and all hotel rooms available to guests.
- *Casino KC* – Casino KC re-opened on 1 June 2020 at 50% capacity with 70% of VLTs and 30% of table games (with a three -player limit) available. Casino KC is currently operating at 50% capacity with all VLTs and table games (with a three-player limit) available.
- *Casino Vicksburg* – Casino Vicksburg re-opened on 21 May 2020 at 50% capacity with 48% of VLTs and 50% of hotel rooms available to guests. Currently, Casino Vicksburg is still operating at 50% capacity; however, 70% of VLTs are available and all table games (with a three-player limit) are available, and the hotel is currently operating with all rooms available to guests.
- *Black Hawk Casinos* – The Black Hawk Casinos re-opened on 17 June 2020 at 50% capacity with 55% of VLTs available to guests. Currently, the properties are still operating at 50% capacity; however, 83% of VLTs are now available to guests. As of 11 November 2020, table games remain closed.
- *Bally's Atlantic City* – Bally's Atlantic City is operating at 25% capacity with 58% of VLTs and all table games (with a four-player limit) available, and the hotel is currently operating with all rooms available to guests.
- *Shreveport* – Shreveport is operating at 50% capacity with 56% of VLTs and about half of table games (with a four-player limit) available, and the hotel is currently operating with all rooms available to guests.

While the Bally's Group is working closely with government officials on operational aspects of its re-opened properties and its desire to get additional amenities online, the Bally's Group cannot predict the duration of any limitations the government or the Bally's Group may impose on its operations. Though the Bally's Group's operations are partially open in each of its markets, continuing restrictions on its operations, the economic uncertainty that COVID-19 continues to cause and the personal risk tolerances of its customers have caused, and may continue to cause, the Bally's Group's business to be negatively impacted. In light of the foregoing, the Bally's Group is unable to determine when, or if, its properties will return to pre-pandemic demand.

As a result of the current restrictions on the Bally's Group's properties related to the COVID-19 pandemic and the uncertainty regarding when the Bally's Group will return to pre-pandemic demand, the Bally's Group has established a multi-faceted plan to slow the usage of its available liquidity, focus on employee and community matters and prepare its facilities for full re-opening.

Liquidity

The Bally's Group is proactively managing expenses carefully in an effort to retain sufficient liquidity to last through these uncertain times and to fund the purchase prices for acquisitions. On 11 May 2020, the Bally's Group increased its term loan facility by \$275 million, a portion of the proceeds of which was utilised to repay the outstanding borrowings under its revolving credit facility. On 9 October 2020, the Bally's Group issued an additional \$125 million aggregate principal amount of 6.75% Senior Notes for a total of \$525 million of Senior Notes due 2027. Though the timing of when or if the Bally's Group will be able to return to pre-pandemic demand is uncertain, the Bally's Group believes it is prepared for sustained restriction on cash flow from operations and believe that its current available cash balances and availability under its revolving credit facility are sufficient to provide necessary liquidity to meet all of its obligations including debt service and required capital expenditures for the foreseeable future.

Throughout 2020, the Bally's Group carefully managed expenses in an effort to minimise variable costs and fixed property level costs and corporate expenses to protect its financial position. These efforts included the following:

- the suspension of all major capital projects and significant reduction of its expected capital expenditure spend, excluding its cash outlay for acquisitions during the year;
- renegotiation of certain service and vendor agreements to reduce or eliminate certain recurring fees and/or defer payments;
- reduction of employee costs through measured levels of re-hiring aimed at matching demand based on its properties' operating status and offerings;

- the suspension of employer 401(k) matching contributions; and
- suspension of dividend payments on its common stock as well as share repurchases under its Capital Return Program, each of which was a condition of the amendment the Bally's Group signed to its credit facility on 24 April 2020.

Employee and Community Matters The Bally's Group has taken a series of employee-and community-focused actions. Among other things, the Bally's Group continued health coverage at no cost to employees who were furloughed. The Bally's Group has also established a fund to provide financial assistance to employees who experience severe hardship during the shutdown period and is working diligently to bring employees back to work at levels that correspond to demand for its offerings. The Bally's Group's Twin River Casino property also served as a host site for a drive through rapid COVID-19 testing during the second quarter. The Bally's Group continues to collaborate with community and employee leaders, health officials and regulatory authorities.

Health and Safety Efforts at Re-opened Facilities As the Bally's Group has reopened its facilities it has actively engaged in a comprehensive sanitisation of all properties with an emphasis on public spaces and 'touchpoints' such as handrails, VLTs, countertops and elevator buttons along with a chip sanitizing program. Additionally, the Bally's Group established a multi-phased approach to re-open each of its facilities. The plans include, among other things, screening of team members and guests upon arrival at its properties, thermal imaging cameras, enforcement of social distancing guidelines, including spacing between VLTs and limited or no table games to start, frequent cleaning and sanitizing protocols for all areas, mask protection, and public awareness signage.

The Bally's Group expects that the current restrictions on operations and amenities as a result of the COVID-19 pandemic will continue to negatively impact its results of operations. The Bally's Group does not expect to see a return to pre-pandemic levels until its properties are allowed to fully re-open with all amenities to the public, which is indeterminable at this time and is dependent on the length and severity of the pandemic, the duration of the restrictions in the Bally's Group's markets and the speed and depth of vaccinations.

The COVID-19 pandemic has caused, and is continuing to cause, significant disruption in the financial markets both globally and in the U.S., and will continue to impact, possibly materially, its business, financial condition and results of operations. The Bally's Group cannot predict the degree or duration to which its operations will be affected by the COVID-19 pandemic, and the effects could be material. While the Bally's Group believes that strong liquidity position, valuable unencumbered assets and aggressive cost reduction initiatives will enable it to fund its current obligations, the COVID-19 pandemic has resulted in significant disruption of global financial markets, which could have a negative impact on its ability to access capital in the future. The Bally's Group continues to monitor the rapidly evolving situation and guidance from authorities, including federal, state and local public health authorities and may take additional actions based on their recommendations. In these circumstances, there may be developments outside the Bally's Group's control requiring it to further adjust its operating plan, including ongoing restrictions to operations and potential future closings of its properties.

Because the situation is ongoing, and because the duration and severity of the pandemic remain unclear, it is difficult to forecast any impacts on the Bally's Group's future results. The Bally's Group currently expects the COVID-19 pandemic to continue to impact its operations negatively throughout 2021.

CARES Act

On 27 March 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law. The CARES Act provides opportunities for additional liquidity, loan guarantees, and other government programs to support companies affected by the COVID-19 pandemic and their employees, including those like the Bally's Group that operate in the gaming area. Based on the Bally's Group's analysis of the CARES Act, the benefits the Bally's Group believes will be available to it include:

- refund of federal income taxes due to five-year carryback of net operating loss incurred in 2020 when the Bally's Group's 2020 tax return is filed;
- relaxation of interest expense deduction limitation for income tax purposes;
- the employee retention credit, providing a refundable federal tax credit equal to 50% of the first \$10,000 of qualified wages and benefits, including qualified medical plan contributions, paid to employees while they are not performing services after 12 March 2020 and before 1 January 2021; and

- deferral of all employer Federal Insurance Contributions Act (“FICA”) taxes for the remainder of 2020, 50% payable by December 2021 and the remainder payable by December 2022.

Recent and Pending Acquisitions, Development Projects and Other

The Bally’s Group seeks to continue to grow its business by actively pursuing the acquisition and development of new gaming opportunities and reinvesting in its existing operations. The Bally’s Group believes that interactive gaming, including mobile sports betting and iGaming represent a significant strategic opportunity for its future growth. In addition, the Bally’s Group seeks to increase revenues at its brick and mortar casinos through enhancing the guest experience by providing popular games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service.

The Bally’s Group’s recent and pending business acquisitions are summarised above in “The Bally’s Group’s Strategy-Recent and Pending Acquisitions, Development Projects and Other.”

Acquisition of Bally’s Atlantic City

Details of Transaction

On 18 November 2020 the Bally’s Group completed its acquisition of Bally’s Atlantic City from Caesars Entertainment, Inc. and Vici Properties Inc. Total cash consideration at closing was approximately \$27 million, subject to customary adjustments. As part of the regulatory approval process with the State of New Jersey, the Bally’s Group committed to capital improvements to the property of \$90 million over a five-year period, which was a condition for approval for its temporary operating licence. Refer to Note 5 “Acquisitions” in Section B of Part XIV (“**Bally’s Financial Information**”) for further information.

Historical and Current Performance

Prior to the Bally’s Group’s acquisition of Bally’s Atlantic City, its operations were run by Caesars as a single entity inclusive of the operations of Wild West Casino, which the Bally’s Group did not acquire. Historically, the results of Bally’s Atlantic City and Wild West Casino were reported on a combined basis and the ability to accurately produce historical financials on a carved out basis was determined to be difficult to produce without undue effort. Based on diligence procedures performed, it is believed that prior to COVID-19 related shut downs experienced in 2020, the Bally’s Atlantic City property, excluding the operations of Wild West Casino, generated approximately \$170 million of annual revenues and adjusted EBITDA of approximately \$12 million in 2019. As a result of COVID-19 restrictions, Bally’s Atlantic City closed its operations from March 2020 through July 2020. Since July 2020, the property has continued to operate at limited capacity and under restricted hours based on local state-mandated restrictions. Bally’s Atlantic City has historically generated a majority of its profit in the summer, as it is located on the New Jersey boardwalk, and has generated losses during the winter. Additionally, at the time of closing, the Bally’s Group’s IT systems had not yet been converted and it was determined that the Bally’s Group would operate the property under a transition services agreement (“TSA”) using Caesars IT systems and the player rewards programs tied to Caesars Total Rewards until the Bally’s Group was able to convert to its own systems, which ultimately occurred in mid-February 2021. The combination of COVID related restrictions, seasonality and increased overhead costs under the TSA and Caesars Total Rewards resulted in increased losses from the acquisition date through 31 December 2020. The Bally’s Group expects those losses to continue into February 2021, when these systems were converted.

Planned Capital Improvements

As noted above, the Bally’s Group expects to invest capital into the property over an initial five-year period, which the Bally’s Group believes will transform the property resulting in increased revenue and profitability. Construction is expected to include a permanent Sportsbook facility, on which the Bally’s Group has partnered with FanDuel, refurbished hotel rooms, new food and beverage offerings, a new boardwalk façade, and other cosmetic upgrades to the property.

Sports and iGaming Licences

In connection with the transaction, the Bally’s Group acquired three sports betting and five iGaming licences in New Jersey. The Bally’s Group has announced strategic partnerships with Points Bet, Esports Entertainment, SportTrade and the Score Bet for use of these licences. The Bally’s Group expects all of these agreements to be accretive and bring something unique to the expansive and cutting-edge New Jersey mobile gaming market. The Bally’s Group also has kept one sports betting and i-gaming skin in New Jersey for its own future use as the Bally’s Group rolls its Bally’s Interactive division in 2021.

Key Performance Indicator

The main key performance indicator used in managing the Bally's Group's business is adjusted earnings before interest, taxes, depreciation and amortisation ("Adjusted EBITDA"), a non-GAAP measure. Adjusted EBITDA is defined as earnings for the Corporation, or where noted the Bally's Group's reporting segments, before, in each case, interest expense, net of interest income, provision (benefit) for income taxes, depreciation and amortisation, non-operating income, acquisition, integration and restructuring expense, goodwill and asset impairment, expansion and pre-opening expenses, share-based compensation, rebranding, change in fair value of naming rights liabilities, gain on bargain purchases, professional and advisory fees associated with the capital return program, CARES Act credit, credit agreement amendment expenses, storm related losses, net of insurance recoveries, Bet.Works and Sinclair, sports and iGaming licensing, and certain other gains or losses as well as, when presented for the Bally's Group's reporting segments, an adjustment related to the allocation of corporate cost among segments.

The Bally's Group uses Adjusted EBITDA to analyse the performance of its business and it is used as a determining factor for performance based compensation for members of the Bally's Group's management team. The Bally's Group has historically used Adjusted EBITDA when evaluating operating performance because it believes that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of its core operating results and as a means to evaluate period-to-period performance. Also, the Bally's Group presents Adjusted EBITDA because it is used by some investors and creditors as an indicator of the strength and performance of ongoing business operations, including the Bally's Group's 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 the Bally's Group's 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 Bally's Group'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 Bally's Group'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, its most directly comparable GAAP measure, as an indicator of the Bally's Group's performance. In addition, Adjusted EBITDA as used by the Bally's Group may not be defined in the same manner as other companies in the Bally's Group's industry, and, as a result, may not be comparable to similarly titled non-GAAP financial measures of other companies.

Results of Operations

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

<i>(In millions)</i>	Years Ended 31 December		
	2020	2019	2018
Total revenue	\$372.8	\$523.6	\$437.5
(Loss) income from operations	(18.4)	114.6	120.6
Net (loss) income.....	(5.5)	55.1	71.4

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

	Years Ended 31 December		
	2020	2019	2018
Total revenue	100.0%	100.0%	100.0%
Gaming, racing, hotel, food and beverage, retail, entertainment and other expenses.....	37.2%	35.4%	30.9%
Advertising, general and administrative.....	47.5%	34.5%	32.7%
Goodwill and asset impairment.....	2.3%	— %	— %
Other operating costs and expenses	7.8%	2.1%	3.7%
Depreciation and amortization.....	10.2%	6.2%	5.1%
Total operating costs and expenses	104.9%	78.1%	72.4%
(Loss) income from operations	(4.9)%	21.9%	27.6%
Other income (expense):			
Interest income.....	0.2%	0.4%	0.0%
Interest expense	(17.0)%	(7.6)%	(5.3)%
Change in value of naming rights liabilities.....	(15.5)%	— %	— %
Gain on bargain purchases	17.1%	— %	— %
Loss on extinguishment and modification of debt.....	— %	(0.3)%	— %
Other, net	— %	0.0%	— %
Total other expense, net.....	(15.1)%	(7.5)%	(5.2)%
(Loss) income before provision for income taxes	(20.1)%	14.4%	22.4%
(Benefit) provision for income taxes.....	(18.6)%	3.8%	6.0%
Net (loss) income.....	(1.5)%	10.5%	16.3%

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

Segment Information

The following table sets forth certain financial information associated with results of operations for the years ended 31 December 2020, 2019 and 2018. Non-gaming revenue includes hotel, food and beverage and other revenue. Non-gaming expenses include hotel, food and beverage and retail, entertainment and other expenses.

<i>(In thousands, except percentages)</i>	Years Ended 31 December			2020 over 2019		2019 over 2018	
	2020	2019	2018	\$ Change	% Change	\$ Change	% Change
Revenue:							
Gaming and Racing revenue							
Rhode Island	\$111,103	\$243,372	\$249,922	\$(132,269)	(54.3)%	\$(6,550)	(2.6)%
Mid-Atlantic	51,776	44,796	—	6,980	15.6%	44,796	100.0%
Southeast	86,851	84,247	81,614	2,604	3.1%	2,633	3.2%
West	43,611	—	—	43,611	100.0%	—	—%
Other	4,729	8,647	9,362	(3,918)	(45.3)%	(715)	(7.6)%
Total Gaming and Racing revenue	298,070	381,062	340,898	(82,992)	(21.8)%	40,164	11.8%
Non-gaming revenue							
Rhode Island	20,925	62,934	52,730	(42,009)	(66.8)%	10,204	19.4%
Mid-Atlantic	21,900	36,010	—	(14,110)	(39.2)%	36,010	100.0%
Southeast	27,981	43,185	43,523	(15,204)	(35.2)%	(338)	(0.8)%
West	3,721	—	—	3,721	100.0%	—	—%
Other	195	386	386	(191)	(49.5)%	—	—%
Total Non-gaming revenue	74,722	142,515	96,639	(67,793)	(47.6)%	45,876	47.5%
Total revenue	372,792	523,577	437,537	(150,785)	(28.8)%	86,040	19.7%
Operating costs and expenses:							
Gaming and Racing expenses							
Rhode Island	\$29,270	\$53,431	\$47,567	\$(24,161)	(45.2)%	\$5,864	12.3%
Mid-Atlantic	17,416	16,139	—	1,277	7.9%	16,139	100.0%
Southeast	27,421	28,159	27,325	(738)	(2.6)%	834	3.1%
West	17,766	—	—	17,766	100.0%	—	—%
Other	4,028	5,828	5,937	(1,800)	(30.9)%	(109)	(1.8)%
Total Gaming and Racing expenses	95,901	103,557	80,829	(7,656)	(7.4)%	22,728	28.1%
Non-gaming expenses							
Rhode Island	12,797	35,625	31,323	(22,828)	(64.1)%	4,302	13.7%
Mid-Atlantic	14,418	22,426	—	(8,008)	(35.7)%	22,426	100.0%
Southeast	13,078	23,487	23,002	(10,409)	(44.3)%	485	2.1%
West	2,436	—	—	2,436	100.0%	—	—%
Other	39	77	88	(38)	(49.4)%	(11)	(12.5)%
Total Non-gaming expenses	42,768	81,615	54,413	(38,847)	(47.6)%	27,202	50.0%
Advertising, general and administrative							
Rhode Island	54,331	86,148	85,650	(31,817)	(36.9)%	498	0.6%
Mid-Atlantic	33,003	25,584	—	7,419	29.0%	25,584	100.0%
Southeast	33,167	38,654	37,955	(5,487)	(14.2)%	699	1.8%
West	16,437	—	—	16,437	100.0%	—	—%
Other	40,005	30,014	19,673	9,991	33.3%	10,341	52.6%
Total Advertising, general and administrative	176,943	180,400	143,278	(3,457)	(1.9)%	37,122	25.9%
Margins:							
Gaming and Racing expenses as a percentage of Gaming and Racing revenue	32%	27%	24%		5%		3%
Non-gaming expenses as a percentage of Non-gaming revenue	57%	57%	56%		—%		1%
Advertising, general and administrative as a percentage of Total Revenue	47%	34%	33%		13%		1%

Year ended 31 December 2020 compared to year ended 31 December 2019

Total revenue

Total revenue for the year ended 31 December 2020 decreased \$150.8 million, or 28.8%, to \$372.8 million, from \$523.6 million in 2019. Gaming and racing revenue for the year ended 31 December 2020 decreased \$83.0 million, or 21.8%, food and beverage revenue decreased \$37.8 million, or 54.0%, and hotel revenue decreased \$14.2 million, or 36.5%, each compared to the prior year. The decreases in total revenue, gaming and racing revenue, food and beverage revenue and hotel revenue were driven by the mandated shut-down of the Bally's Group's operations at all properties from mid-March of 2020 into June 2020 and the continued limitations on its operations in response to the COVID-19 pandemic, including a second shut down of the Bally's Group's properties in Rhode Island from 29 November through 20 December 2020. Decreases in revenue resulting from the pandemic were partially offset by revenue from current year acquisitions of Casino KC and Casino Vicksburg on 1 July 2020 which contributed \$40.1 million, the Black Hawk Casinos on 23 January 2020 which contributed \$17.8 million, Bally's Atlantic City on 18 November 2020 which contributed \$8.7 million, and Shreveport on 23 December 2020 which contributed \$2.5 million.

Operating costs and expenses

For 2020, the Bally's Group recorded total operating costs and expenses of \$391.2 million, down 4.3% compared to the \$409.0 million in 2019. Gaming and racing expenses for the year ended 31 December 2020 decreased \$7.7 million, or 7.4%, to \$95.9 million from \$103.6 million in 2019. The decrease for the year ended 31 December 2020 year-over-year was primarily attributable to the mandated shut-down of the Bally's Group's facilities in mid-March of 2020 into June 2020 as of result of the COVID-19 pandemic and the operational restrictions and limitations on the Bally's Group's properties throughout the remainder of the 2020 year.

Non-gaming expenses for the year ended 31 December 2020 decreased \$38.8 million, or 47.6%, to \$42.8 million from \$81.6 million in 2019. This decrease was primarily due to the minimisation of variable costs of non-gaming amenities during the mandated shut-down of the Bally's Group's properties and during the year and the continued restrictions on operations.

The Bally's Group expects its total operating costs and expenses to increase in 2021 as compared to 2020 as a result of the inclusion of its recent acquisitions of Casino KC, Casino Vicksburg, Bally's Atlantic City and Shreveport operations as well as the operations of pending acquisitions of MontBleu, Jumer's and Tropicana Evansville that the Bally's Group expects to close in the first half of 2021.

Advertising, general and administrative

Advertising, general and administrative expenses for the year ended 31 December 2020 decreased \$3.5 million, or 1.9%, to \$176.9 million from \$180.4 million, in 2019. The decrease in advertising, general and administrative expenses year-over-year is primarily due to the shut-down of operations at all of the Bally's Group's facilities as a result of the COVID-19 pandemic from mid-March 2020 into June 2020 and the continued operational restrictions and limitations on the Bally's Group's properties in the second half of 2020. The decrease was partially offset by an increase in share-based compensation expense for the year ended 31 December 2020, which increased \$13.9 million compared to last year. The increase in share-based compensation expense was directly attributable to the Bally's Group's annual grant of restricted stock awards to eligible employees and executive management which occurred during the first quarter of 2020 with one-third of the restricted stock award vesting during the first quarter of 2020 and one-third vesting at the end of the 2020 year. In addition, in light of the pandemic and cash flow considerations for 2020, the Bally's Group elected to pay annual bonuses to eligible recipients in the form of immediately vested stock awards which were paid on 30 December 2020. In the prior year, the Bally's Group only granted equity awards to members of the Bally's Board and executive team with the grant occurring during the second quarter of 2019.

Acquisition, integration and restructuring expense

The Bally's Group incurred \$13.3 million of acquisition, integration and restructuring expense during the year ended 31 December 2020 compared to \$12.2 million in 2019 driven by acquisition and integration costs in each year of \$13.2 million and \$10.9 million, respectively. During 2020, the Bally's Group recorded total acquisition costs of \$10.3 million for acquisitions closed during the year including Shreveport, Bally's Atlantic City, Casino KC and Casino Vicksburg and the Black Hawk Casinos, and \$2.7 million of acquisition costs related to the proposed acquisitions of MontBleu, Jumer's and Tropicana Evansville. During 2020, the Bally's Group also incurred approximately \$0.1 million of costs relating to the proposed build of a casino in Centre County, Pennsylvania. During the year ended 31 December 2019, the Bally's Group

incurred \$7.9 million of costs attributable to Dover Downs merger and going public expenses and \$3.0 million of acquisition costs related to the acquisitions of the Black Hawk Casinos and Casino KC and Casino Vicksburg. Additionally, in 2019 the Bally's Group incurred restructuring expenses of \$0.8 million related to severance costs incurred attributable to the acquisition of Dover Downs in the first quarter of 2019 as well as \$0.4 million related to severance costs incurred at its Twin River Casino Hotel property as a result of a voluntary termination program put into place in response to softness in the market due to new competition. Refer to Note 10 "Acquisition, integration and restructuring expense" in Section B of Part XIV ("**Bally's Financial Information**") for further information.

Other operating costs and expenses

The Bally's Group recorded storm related losses, net of insurance recoveries of \$14.1 million during 2020 primarily attributable to the effects of Hurricane Zeta which made landfall in Louisiana shutting down its Hard Rock Biloxi property for three days in the fourth quarter of 2020. Additionally, the Bally's Group recorded an impairment charge of \$8.7 million as a result of an impairment analysis performed on goodwill and intangible assets acquired in connection with its acquisition of the Black Hawk Casinos and \$0.8 million of rebranding expense during the fourth quarter of 2020 as the Bally's Group changed its corporate name to Bally's Corporation in November 2020.

Depreciation and amortisation

Depreciation and amortisation of intangibles expense for the year ended 31 December 2020 was \$37.8 million, an increase of \$5.5 million, or 16.8%, compared to \$32.4 million in 2019. These increases in depreciation and amortisation expenses were attributable to the additions of Casino KC and Casino Vicksburg and the Black Hawk Casinos which contributed \$2.7 million and \$2.3 million during the year ended 31 December 2020, respectively.

(Loss) income from operations

Loss from operations was \$18.4 million for the year ended 31 December 2020 compared to income from operations of \$114.6 million in 2019. As a percentage of total revenue, income from operations decreased from 21.9% to a loss from operations of 4.9%, primarily impacted negatively by the COVID-19 pandemic with the shut-down of the Bally's Group's properties from mid-March 2020 into June 2020 and the continued operational restrictions experienced in 2020, including the second shutdown of the Rhode Island properties in the fourth quarter of 2020.

Other income (expense)

Total other expense increased \$17.0 million, or 43.0%, to \$56.4 million for the year ended 31 December 2020 from other expense of \$39.4 million in 2019. The increase in other expense was driven primarily by expense associated with the change in naming rights liability associated with the Bally's Group's contracts with Sinclair Broadcast group of \$57.7 million. Refer to Note 9 "Sinclair Agreement" in Section B of Part XIV ("**Bally's Financial Information**") for further information. Additionally, interest expense was \$63.2 million for the year ended 31 December 2020, an increase of \$23.4 million from \$39.8 million in 2019, due to increased borrowings and higher interest rates year-over-year. These increases in expense were offset by a total gain on bargain purchases of \$63.9 million recorded during the fourth quarter of 2020 related to the acquisitions of Bally's Atlantic City and Shreveport, which resulted in bargain purchase gains of \$32.6 million and \$31.3 million, respectively, as the preliminary fair values of the acquired assets and assumed liabilities for each of the acquisitions exceeded its purchase price. Refer to Note 5 "Acquisitions" in Section B of Part XIV ("**Bally's Financial Information**") for further information. The year ended 31 December 2019 also included a loss on extinguishment and modification of debt of 1.7 million as a result of the debt refinancing completed during the second quarter of 2019.

(Benefit) provision for income taxes

Provision for income taxes for the year ended 31 December 2020 decreased \$89.4 million to a benefit of \$69.3 million compared to 2019. The effective tax rate for the year ended 31 December 2020 was 92.7% compared to 26.7% in 2019. The increase in the effective tax rate was due to the impact of the CARES Act on the federal rate applied during 2020 and the impact of the bargain purchase gain recorded related to the acquisitions of Bally's Atlantic City and Shreveport in the fourth quarter of 2020, offset in part by the immediately exercisable penny warrants issued to Sinclair in the fourth quarter of 2020. The bargain purchase gain and the penny warrants issued to Sinclair will not impact the future tax basis of the underlying assets acquired.

Net Income (Loss) and earnings (loss) per share

Net loss for the year ended 31 December 2020 was \$5.5 million compared to net income of \$55.1 million in 2019. As a percentage of revenue, net income decreased from 10.5% for the year ended 31 December 2019 to a net loss of 1.5% for the year ended 31 December 2020. Diluted loss per share for the year ended 31 December 2020 was \$0.18, compared to earnings per share of \$1.46 for the year ended 31 December 2019, and was impacted by the factors noted above and share repurchases under the Bally's Group's capital return program during the year.

Adjusted EBITDA by Segment

Consolidated Adjusted EBITDA was \$70.4 million for the year ended 31 December 2020, a decrease of \$96.7 million, or 58%, from \$167.2 million in the same period last year. Adjusted EBITDA for the Rhode Island segment decreased 74% to \$33.6 million, driven by the negative impact of COVID related restrictions and the shutdown of the Bally's Group's Rhode Island properties in mid-March of 2020 into June 2020 and again for three weeks during the fourth quarter of 2020. The Mid-Atlantic segment decreased 51% to \$8.1 million from \$16.7 million in the prior year and was negatively impacted by COVID related restrictions and the shutdown of Dover Downs and the impact of Bally's Atlantic City, which was acquired in November, as operations were impacted by a combination of COVID related restrictions, seasonality and increased overhead costs under the TSA and reliance on IT systems, as described above. Adjusted EBITDA for the Southeast segment was \$40.6 million, an increase of \$3.4 million from the prior year, benefiting from the additions of Casino Vicksburg and Shreveport which were acquired on 1 July 2020 and 23 December 2020, respectively. Consolidated Adjusted EBITDA also includes the addition of Adjusted EBITDA from the West segment of \$10.3 million which includes the Bally's Group's Casino KC and the Black Hawk Casinos properties which were acquired on 1 July 2020 and 23 January 2020, respectively.

	Year Ended 31 December 2020					
<i>(in thousands)</i>	Rhode Island	Mid- Atlantic	Southeast	West	Other	Total
Revenue	\$132,028	\$73,676	\$114,832	\$47,332	\$4,924	\$372,792
Net income (loss).....	\$20,276	\$(241)	\$10,486	\$(712)	\$(35,296)	\$(5,487)
Interest expense, net of interest income.....	(56)	132	(42)	—	62,602	62,636
(Benefit) provision for income taxes.....	(10,326)	(1,232)	(763)	(3,697)	(53,306)	(69,324)
Depreciation and amortization.....	17,310	6,082	10,037	4,104	309	37,842
Acquisition, integration and restructuring expense...	—	20	—	—	13,237	13,257
Expansion and pre-opening expenses	921	—	—	—	—	921
Goodwill and asset impairment.....	—	—	—	8,659	—	8,659
Share-based compensation.....	—	—	—	—	17,706	17,706
Rebranding.....	—	—	—	—	792	792
Change in value of naming rights liability	—	—	—	—	57,660	57,660
Gain on bargain purchase.....	—	—	—	—	(63,871)	(63,871)
Professional and advisory fees associated with capital return program	—	—	—	—	(17)	(17)
CARES Act credit ⁽¹⁾	(2,215)	(755)	(548)	(361)	(49)	(3,928)
Credit Agreement amendment expenses ⁽²⁾	—	—	—	—	810	810
Storm related losses, net of insurance recoveries ⁽³⁾ ..	—	—	15,131	—	(1,036)	14,095
Bet.Works and Sinclair ⁽⁴⁾	—	—	—	—	1,248	1,248
Sports and iGaming Licensing ⁽⁵⁾	—	—	—	—	226	226
Other ⁽⁶⁾	157	—	—	—	(2,980)	(2,823)
Allocation of corporate costs.....	7,505	4,078	6,317	2,339	(20,239)	—
Adjusted EBITDA	<u>\$33,572</u>	<u>\$8,084</u>	<u>\$40,618</u>	<u>\$10,332</u>	<u>\$(22,204)</u>	<u>\$70,402</u>

(1) Amount represents the Employee Retention Credit under the CARES Act which provides the Corporation 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 the Corporation's Credit Agreement.

(3) Represents losses incurred from damage resulting from Hurricane Zeta at Hard Rock Biloxi in the fourth quarter of 2020 offset by insurance recovery proceeds received for a damaged roof at the Corporation's Arapahoe Park racetrack for the respective periods.

(4) Expenses incurred to establish the partnership with Sinclair and acquisition costs attributable to the Bet.Works acquisition in the fourth quarter of 2020.

(5) Represents costs incurred to apply for and obtain sports and iGaming licences in various jurisdictions.

(6) Other includes the following non-recurring items (i) expenses incurred associated with the Rhode Island State Police investigation into a former tenant in the Twin River Casino property and a former employee of the Corporation, (ii) expenses incurred associated with the campaign attempting to create an open bid process for the Rhode Island Lottery Contract, (iii) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements), and (iv) costs incurred in connection with the implementation of a new human resources information system.

Year Ended 31 December 2019

<i>(in thousands)</i>	Rhode Island	Mid-Atlantic	Southeast	Other	Total
Revenue	\$306,306	\$80,806	\$127,432	\$9,033	\$523,577
Net income.....	\$71,124	\$6,031	\$18,165	\$(40,190)	\$55,130
Interest expense, net of interest income.....	3,265	145	(30)	34,546	37,926
Provision for income taxes.....	26,653	2,903	5,108	(14,614)	20,050
Depreciation and amortization.....	18,473	3,996	9,743	180	32,392
Non-operating income	—	(39)	—	(144)	(183)
Acquisition, integration and restructuring expense.....	425	1,155	—	10,588	12,168
Share-based compensation.....	—	—	—	3,826	3,826
Professional and advisory fees associated with capital return program	—	—	—	3,510	3,510
Credit Agreement amendment expenses ⁽¹⁾	1,038	—	—	1,877	2,915
Storm related losses, net of insurance recoveries ⁽²⁾	—	—	(152)	(1,181)	(1,333)
Other ⁽³⁾	(419)	—	275	893	749
Allocation of corporate costs.....	10,124	2,466	4,148	(16,738)	—
Adjusted EBITDA	<u>\$130,683</u>	<u>\$16,657</u>	<u>\$37,257</u>	<u>\$(17,447)</u>	<u>\$167,150</u>

- (1) Credit Agreement amendment expenses include costs associated with amendments made to the Corporation's Credit Agreement.
- (2) Gain related to insurance recovery proceeds received for a damaged roof at the Corporation's Arapahoe Park racetrack and storm-related repair expenses, net of insurance recoveries, associated with damage from Hurricane Nate at Hard Rock Biloxi.
- (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 former tenant in the Twin River Casino property and a former employee of the Corporation, (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 Corporation'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, and (iv) non-routine legal expenses incurred in connection with certain litigation matters (net of insurance reimbursements).

Year ended 31 December 2019 compared to year ended 31 December 2018

Total revenue

Total revenue for the year ended 31 December 2019 increased 19.7% to \$523.6 million, from \$437.5 million in 2018. This increase was primarily attributable to the addition of Dover Downs, which added \$80.8 million of revenue in 2019. Revenue was also favourably impacted by incremental revenue at the Tiverton Casino, which opened on 1 September 2018 replacing Newport Grand which closed on 28 August 2018. New competition in the New England market, and the associated increases in marketing and promotional activity, significantly impacted revenue in the second half of 2019 at Twin River Casino Hotel. In 2019, Tiverton Casino Hotel continued to demonstrate marked resilience in the face of the new regional competition mentioned above and Hard Rock Biloxi gaming revenue performance remained strong.

Gaming revenue for the year ended 31 December 2019 increased \$40.2 million, or 12.3%, food and beverage revenue increased \$21.5 million, or 44.5%, and hotel revenue increased \$17.6 million, or 82.7%, each compared to the prior year.

Operating costs and expenses

For 2019, the Bally's Group recorded total operating costs and expenses of \$409.0 million, up 29.1% compared to the \$316.9 million it recorded in 2018. Gaming and racing expenses for the year ended 31 December 2019 increased \$22.7 million, or 28.1%, to \$103.6 million from \$80.8 million in 2018. Gaming and racing expenses from Dover Downs and incremental gaming and racing expenses from Tiverton Casino Hotel, partially offset by the closing of Newport Grand, accounted for \$23.1 million of the increase year-over-year.

Non-gaming expenses for the year ended 31 December 2019 increased \$27.2 million, or 50.0%, to \$81.6 million from \$54.4 million in 2018. This increase was primarily attributable to the inclusion of Dover Downs, coupled with increases of \$0.8 million and \$1.7 million in its Rhode Island segment due to the opening of the Tiverton Casino Hotel and the new hotel at Twin River Casino Hotel, respectively, partially offset by the closing of Newport Grand.

Advertising, general and administrative

Advertising, general and administrative expenses for the year ended 31 December 2019 increased \$37.1 million, or 25.9%, to \$180.4 million from \$143.3 million, in 2018. The increase in advertising, general and administrative expenses year-over-year is primarily due to the following:

- the addition of Dover Downs, which accounted for \$25.6 million for the year ended 31 December 2019;
- an increase in share-based compensation expense of \$3.8 million in the year ended 31 December 2019 compared to a benefit of \$1.5 million in 2018, due to a reduction in the fair value of outstanding liability classified awards as well as the timing of grants and the mix of liability classified awards, creating expense volatility in 2018;
- professional advisory fees of \$3.5 million for the year ended 31 December 2019 associated with the Bally's Group's capital return program;
- higher corporate overhead costs as the Bally's Group made corporate investments in preparation of future growth coupled with the additional costs to meet reporting requirements associated with becoming a publicly traded company; and
- credit agreement amendment expenses of \$2.9 million related to the Corporation's debt refinancing for the year ended 31 December 2019, compared to \$0.5 million in 2018.

Acquisition, integration and restructuring expense

The Bally's Group incurred \$12.2 million of acquisition, integration and restructuring expense during the year ended 31 December 2019 compared to \$6.8 million in 2018. The Dover Downs merger and going public expenses were \$7.9 million for 2019, compared to \$6.6 million in 2018. Additionally, the Bally's Group incurred \$1.7 million and \$1.3 million of acquisition costs related to the acquisitions of the Black Hawk Casinos and Isle Kansas City and Lady Luck Vicksburg, respectively, in the current period. During the year ended 31 December 2019, the Bally's Group reported restructuring expense of \$1.3 million related to severance costs incurred attributable to the acquisition of Dover Downs as well as severance costs at its Twin River Casino Hotel location as a result of a voluntary termination program put into place in response to softness in the market due to new competition.

Other operating costs and expenses

During the year ended 31 December 2019 the Bally's Group recorded a gain on insurance recoveries of \$1.2 million related to proceeds received for a damaged roof at the Corporation's Arapahoe Park racetrack. During the year ended 31 December 2018, the Bally's Group recorded other operating costs and expenses of \$6.5 million, directly attributable to a disposal loss related to the sale of Newport Grand. The Bally's Group also incurred \$2.7 million of expansion and pre-opening expenses during the year ended 31 December 2018 related to Tiverton Casino Hotel prior to its opening on 1 September 2018.

Depreciation and amortisation

Depreciation and amortisation of intangibles expense for the year ended 31 December 2019 was \$32.4 million, an increase of \$10.1 million, or 45.0%, compared to \$22.3 million in 2018. The increase is attributable to increased depreciation as a result of the Tiverton Casino Hotel, which opened in late 2018, the Dover Downs acquisition and, to a lesser extent, the new hotel at Twin River Casino Hotel.

Income from operations

Income from operations was \$114.6 million for the year ended 31 December 2019 compared to \$120.6 million in 2018. As a percentage of total revenue income from operations decreased from 27.6% to 21.9%, primarily driven by the factors driving the increase in advertising, general and administrative expenses noted above.

Other income (expense)

Total other expense increased \$16.6 million, or 72.6%, to \$39.4 million for the year ended 31 December 2019 from \$22.9 million in 2018. Total other expense is primarily comprised of interest expense, which was \$39.8 million for the year ended 31 December 2019, an increase of \$16.8 million from \$23.0 million in 2018, due to increased borrowings and higher interest rates year-over-year. The year ended 31 December 2019 also included a loss on extinguishment and modification of debt of \$1.7 million as a result of the debt refinancing completed during the second quarter of 2019.

Provision for income taxes

Provision for income taxes for the year ended 31 December 2019 decreased \$6.3 million from \$26.4 million in 2018 to \$20.1 million. The effective tax rate for the year ended 31 December 2019 was 26.7%, compared to 27.0% in 2018. The decrease in the effective tax rate was primarily due to the fluctuations in the income concentrations between the segments compared to the prior year.

Net Income and earnings per share (“EPS”)

Reported net income for the year ended 31 December 2019 was \$55.1 million, a decrease of 22.8% from \$71.4 million in 2018. As a percentage of total revenue, net income decreased from 16.3% in 2018 to 10.5% for the year ended 31 December 2019. Diluted EPS for the year ended 31 December 2019 was \$1.46, compared to \$1.87 for the year ended 31 December 2018, and was impacted by the factors noted above and share repurchases under the Bally’s Group’s capital return program during the year.

Liquidity and Capital Resources

The Bally’s Group assesses liquidity in terms of the ability to generate cash or obtain financing in order to fund operating, investing and debt service requirements. The Bally’s Group’s primary ongoing cash requirements include the funding of operations, capital expenditures, acquisitions and other investments in line with the Bally’s Group’s business strategy, and debt repayment obligations and interest payments. Over the next twelve months, the Bally’s Group believes that operating cash flows will be sufficient to meet funding needs for operating, capital expenditure and debt service purposes. Furthermore, existing cash balances and availability of additional borrowings under the Credit Facility provide additional sources of liquidity. While the Bally’s Group may seek other funding alternatives, it believes existing cash balances, cash flow from operations and availability under the Bally’s Group’s Credit Facility will provide the cash necessary to fund its proposed acquisitions of MontBleu, Jumer’s, Tropicana Evansville, and Bet.Works, all of which are currently expected to close in the first half of 2021.

Cash Flows Summary

<i>(In thousands)</i>	Years Ended 31 December		
	2020	2019	2018
Net cash provided by operating activities.....	\$19,502	\$94,100	\$109,244
Net cash used in investing activities.....	(444,846)	(38,925)	(117,600)
Net cash provided by (used in) financing activities	366,397	48,896	(3,429)
Net change in cash and cash equivalents and restricted cash	(58,947)	104,071	(11,785)
Cash and cash equivalents and restricted cash, beginning of period.	185,502	81,431	93,216
Cash and cash equivalents and restricted cash, end of period.....	<u>\$126,555</u>	<u>\$185,502</u>	<u>\$81,431</u>

Operating Activities

Net cash provided by operating activities for the year ended 31 December 2020 was \$19.5 million, a decrease of \$74.6 million from \$94.1 million in 2019. This decrease was attributable to a net loss of \$5.5 million in 2020 compared to net income of \$55.1 million in 2019 primarily due to the mid-March 2020 shut-down of the Bally’s Group’s facilities in response to the COVID-19 pandemic and operating restrictions on the Bally’s Group’s properties following their reopening and a gain on bargain purchases of \$63.9 million relating to the current year acquisitions of Bally’s Atlantic City and Shreveport, partially offset by a loss of \$57.7 million relating to a change in value of naming rights liabilities associated with the Sinclair Agreement. Prepaid expenses and other assets as of 31 December 2020 included the contingent consideration asset of \$27.7 million in connection with the Bally’s Group’s arrangement with Caesars to reimburse the Bally’s Group for capital spending to refurbish, upgrade and expand the amenities at the Bally’s Group’s Bally’s Atlantic City property.

Investing Activities

Net cash used in investing activities for the year ended 31 December 2020 was \$444.8 million, an increase of \$405.9 million compared to \$38.9 million used in investing activities for 2019. This increase was primarily driven by the \$425.1 million aggregate cash outlay for the acquisitions of the Black Hawk Casinos, Casino KC and Casino Vicksburg, Bally’s Atlantic City, and Shreveport in 2020 compared to \$9.6 million paid in 2019 for the acquisition of Dover Downs, partially offset by a decrease in capital expenditures of \$13.0 million when compared to the prior year as the Bally’s Group limited spending on capital projects to conserve cash in response to COVID related shutdowns. The 2020 year also includes a \$4.0 million deposit paid in connection with the Bally’s Group’s acquisition of Jumer’s in September 2020, \$2.0 million of which is non-refundable.

Financing Activities

Net cash provided by financing activities for the year ended 31 December 2020 was \$366.4 million compared to net cash provided by financing activities of \$48.9 million for 2019. Cash provided by financing activities in 2020 was driven by \$261.2 million of borrowings, net of fees, on the Bally's Group's additional term loan, \$122.5 million of Senior Notes proceeds and borrowings under the Bally's Group's revolver, all of which were used to fund current year acquisitions. The Bally's Group also spent \$33.3 million on share repurchases and paid cash dividends of \$3.2 million under its capital return program. During 2019, cash provided by financing activities was driven by proceeds received from the Term Loan Facility and Senior Notes (defined below), net of fees incurred, of \$683.2 million, partially offset by debt repayments of \$343.9 million on the Bally's Group's previous term loan and the required quarterly payments on its new Term Loan Facility. The Bally's Group also paid \$223.1 million for share repurchases, including shares repurchased in connection with its Dutch auction tender offer in July 2019 under its capital return program.

Working Capital

At 31 December 2020, net working capital balance was \$145.8 million, compared to \$155.2 million at 31 December 2019 a decrease of \$9.5 million. This decrease is primarily attributable to a decrease in the Bally's Group's cash and cash equivalents balance to \$123.4 million as of 31 December 2020 compared to \$182.6 million as a result of the timing of transactions in each respective period, as noted above.

Capital Return Program and Quarterly Cash Dividend

During the second quarter of 2019, the Bally's Group announced that the Bally's Board approved a capital return program under which the Bally's Group may expend a total of up to \$250 million for a share repurchase program and payment of dividends. On 26 July 2019, the Bally's Group completed a modified Dutch auction tender offer, purchasing 2,504,971 common shares at an aggregate purchase price of \$73.9 million and repurchased an additional 6,558,379 common shares under the capital return program. During the year ended 31 December 2019, the Bally's Group paid cash dividends of \$0.10 per common share in each of the third and fourth quarters, for a total of \$0.20 per common share and a total cost of approximately \$7.6 million.

On 10 February 2020, the Bally's Board approved an increase in the capital return program of \$100.0 million. During the first quarter of 2020, the Bally's Group repurchased 1,581,813 common shares for an aggregate price of \$29.7 million under the capital return program and paid a cash dividend of \$0.10 per common share for approximately \$3.2 million. As of 31 December 2020, \$84.9 million remained available for use under the aforementioned program.

As noted below, as a result of the amendment to the Bally's Group's Credit Facility, the Bally's Group is not permitted to declare or pay dividends on its common stock (or repurchase shares of its common stock) until the end of the Leverage Ratio Covenant Relief Period.

Senior Secured Credit Facility

On 10 May 2019, the Bally's Group entered into a credit agreement (the "**Credit Agreement**") with Citizens Bank, N.A., as administrative agent, (the "**Agent**"), and the lenders party thereto (the "**Credit Facility**"), consisting of a \$300 million Term B Loan facility (the "**Term Loan Facility**") and a \$250 million revolving credit facility (the "**Revolving Credit Facility**"). The Bally's Group's obligations under the Revolving Credit Facility will mature on 10 May 2024. The Bally's Group's obligations under the Term Loan Facility will mature on 10 May 2026. Beginning 30 September 2019, the Corporation is required to make quarterly principal payments of \$750,000 on the Term Loan Facility on the last business day of each fiscal quarter. In addition, the Bally's Group is required to make mandatory payments of amounts outstanding under the Credit Facility with the proceeds of certain casualty events, debt issuances, and asset sales and, commencing with the fiscal year beginning 1 January 2020, the Bally's Group is required to apply a portion of its excess cash flow to repay amounts outstanding under the Credit Facility.

On 16 March 2020, the Bally's Group borrowed under its Revolving Credit Facility the full available amount of \$250 million to increase its cash position and liquidity to facilitate financial flexibility in light of the then uncertainty in the global markets and the Bally's Group's business resulting from the COVID-19 pandemic. Upon closing of the additional \$275 million term loan noted below, the Bally's Group repaid the full \$250 million it had outstanding under its Revolving Credit Facility and currently has the full amount of the Revolving Credit Facility available for borrowing. Pursuant to the Revolving Credit Facility, the Bally's Group may utilise this availability for working capital, general corporate and other purposes as permitted under the terms of the Revolving Credit Facility. The Bally's Group believes that it has sufficient liquidity

to meet its obligations, including those under its Term Loan Facilities, the Senior Notes and pending acquisitions.

On 24 April 2020, the Bally's Group and its lenders amended the financial covenants and certain other terms of its Credit Facility to provide financial covenant relief from the effects of the COVID-19 pandemic. Until the period on which the Bally's Group is required to deliver its compliance statement and financial statements for the three months ending 31 March 2021 (the "**Leverage Ratio Covenant Relief Period**"), the Bally's Group will not be required to comply with the maximum total net leverage ratio covenant. Instead the Corporation will be required to comply with a minimum liquidity covenant tested at the last day of each month during the Leverage Ratio Covenant Relief Period. Under the minimum liquidity requirement, the Bally's Group will be required to have unrestricted cash on hand at the end of each month in the following amounts: (1) \$75.0 million at 30 April 2020 and 31 May 2020, (2) \$65.0 million at 30 June 2020, (3) \$55.0 million at 31 July 2020, and (4) \$50.0 million at each month-end thereafter through 31 March 2021.

The Bally's Group will not be permitted to declare or pay dividends on its common stock or make other restricted payments, complete investments or acquisitions (other than those previously announced or to which the lenders consent) during the Leverage Ratio Covenant Relief Period, and the interest rates on the Revolving Credit Facility borrowings are LIBOR + 2.75% during the Leverage Ratio Covenant Relief Period. Additionally, the amendment permanently changed the minimum LIBOR on Revolver borrowings from 0.00% to 0.75%.

On 5 March 2021, the Bally's Group and its lenders amended the financial covenants and certain other terms of its Credit Facility to provide deemed consolidated EBITDA numbers for certain fiscal quarters of 2021 and to permit the annualisation of consolidated EBITDA for the 2021 fiscal year for purposes of calculating compliance with the consolidated total net leverage ratio, to the extent the Bally's Group is required to comply with it.

On 11 May 2020, the Bally's Group closed on an amendment to its Credit Facility to increase its Term Loan Facility by \$275.0 million. Borrowings under the increased portion of the Term Loan Facility will bear interest at LIBOR + 8.00% per annum with a 1.00% LIBOR floor through the 10 May 2026 maturity date. Following the amendment, the Bally's Group repaid the full \$250.0 million outstanding under its Revolving Credit Facility. This new term loan satisfied the financing contingency in the purchase agreement to acquire Shreveport and MontBleu from affiliates of Eldorado.

On 9 March 2021, the Bally's Group amended its Credit Agreement to increase the aggregate principal amount of the Revolving Credit Facility to \$325 million, an increase of \$75 million pursuant to an incremental revolving facility. Borrowings under the new incremental revolving facility will be subject to the same terms and conditions of the existing Revolving Credit Facility under the Credit Agreement.

6.75% Senior Notes due 2027

On May 10, 2019, the Bally's Group issued \$400.0 million aggregate principal amount of 6.75% unsecured senior notes due 1 June 2027 (the "**Senior Notes**"). On 9 October 2020, the Bally's Group issued an additional \$125.0 million aggregate principal amount of 6.75% unsecured senior notes due 1 June 2027 (the "**Additional Notes**") and, together with the Initial Notes, the "Senior Notes"). The Additional Notes, other than with respect to the date of issuance and issue price, are identical to the Initial Notes, and are treated as a single class with the Initial Notes for all purposes under the indenture governing the Senior Notes (the "**Indenture**"). Immediately after giving effect to the issuance and sale of the Additional Notes, the Bally's Group had \$525.0 million in aggregate principal amount of Senior Notes outstanding. Interest on the Senior Notes is paid semi-annually in arrears on June 1 and December 1. The Bally's Group used a portion of the net proceeds from the Initial Notes, together with a portion of the proceeds from its Term Loan Facility, to repay borrowings under its prior credit agreement (the "**Former Credit Facility**").

On 4 February 2021, the Bally's Group announced it had obtained the consent of the Senior Notes holders to amend the indenture governing the Senior Notes. The amendment to the Indenture amended the "Incurrence of Indebtedness and Issuance of Subsidiary Preferred Stock" covenant contained in Section 4.09 of the Indenture to increase the fixed dollar prong of the credit facility basket from "\$745.0 million" to "975.0 million.". Except for this amendment, all the existing terms of the Senior Notes remain unchanged.

Refer to Note 11 "Long-Term Debt" in Section B of Part XIV ("**Bally's Financial Information**").

Capital Expenditures

Capital expenditures are accounted for as either project or maintenance (replacement) capital expenditures. Project capital expenditures are for fixed asset additions that expand an existing facility or create a new facility. Maintenance and small project capital expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.

For the year ended 31 December 2020, capital expenditures were \$15.3 million compared to \$28.2 million in 2019, a decrease directly attributable spending restrictions resulting from the COVID-19 pandemic coupled with the completion of projects in the prior year relating to the Tiverton Casino Hotel and the new hotel at Twin River Casino.

As a result of the COVID-19 pandemic, all major projects were suspended in 2020. The Bally's Group expects capital expenditures in 2021 to exceed 2020 amounts as the Bally's Group intends to move forward with several proposed projects. At the Bally's Group's Casino KC property, the Bally's Group has planned a redevelopment project for approximately \$40 million as it believes it will enhance the property and guest experience, and drive growth and its return on investment. The Bally's Group plans to invest approximately \$90 million in its Bally's Atlantic City property over a span of five years to refurbish and upgrade its facilities and expand its amenities. Additionally, as noted above, the Bally's Group signed a framework agreement with an established developer to jointly design, develop, construct and manage a casino in Centre County, Pennsylvania and construction is expected to begin the first half of 2021 and will take approximately one year to complete. The Bally's Group estimates the total cost of the project, including construction, licensing and sports betting/iGaming operations, to be approximately \$120 million. The Bally's Group may also commence its expansion and other capital improvements at its Twin River Casino Hotel location related to its proposed partnership with IGT and is optimistic that this legislation will be addressed and approved as soon as the second quarter of 2021. The Bally's Group expects to fund the expenditures from a combination of cash flow from operations, cash on hand and available borrowings under its Credit Facility.

Because the pandemic is ongoing and the duration and severity remains unclear, it is difficult to forecast any impacts on the Bally's Group's future results and therefore, planned spending on these projects may be impacted as the Bally's Group embarks into the 2021 year.

Contractual Obligations

The following summarises the Bally's Group's undiscounted contractual obligations as of 31 December 2020:

<i>(In thousands)</i>	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Current and long-term obligations, at par.	\$569,125	\$5,750	\$11,500	\$11,500	\$540,375
Revolver.....	35,000	—	—	35,000	—
Senior notes, at par.....	525,000	—	—	—	525,000
Interest ^(a)	407,091	68,814	204,415	116,143	17,719
Operating leases ^(b)	139,293	6,204	11,877	11,499	109,713
Naming rights fees ^(c)	88,019	2,000	10,000	18,000	58,019
Acquisition commitments ^(d)	33,050	33,050	—	—	—
Capital expenditures ^(e)	90,000	25,000	50,000	15,000	—
Bally's trade name.....	20,000	10,000	10,000	—	—
Other ^(f)	6,227	5,499	728	—	—
Total contractual obligations.....	\$1,912,805	\$156,317	\$298,520	\$207,142	\$1,250,826

(a) Interest for the term loan with obligations at par of \$569,125 is calculated at the 31 December 2020 interest rate of 3.00% and interest for senior notes with obligations at par of \$525,000 is calculated at the stated rate of 6.75%.

(b) Represents the minimum rent payable under operating leases.

(c) Represents fees under the terms of the Sinclair Agreement for naming rights of the regional sports networks which escalate annually over the 10-year term of the agreement. Refer to Note 9 "Sinclair Agreement" in Section B of Part XIV ("Bally's Financial Information").

(d) Represents termination fees related to the pending acquisitions of MontBleu, Jumer's, Tropicana Evansville, and Bet.Works as well as non-cancelable fees owed to the Bally's Group's advisers on select of these transactions. Refer to Note 17 "Commitments and Contingencies" in Section B of Part XIV ("Bally's Financial Information").

(e) The Bally's Group anticipates spending approximately \$250 million for planned projects at Casino KC, Bally's Atlantic City and Centre County, PA of which the Bally's Group is contractually committed to spend \$90 million in connection with its Bally's Atlantic City property.

(f) Includes various non-cancellable contractual obligations, including advertising and facilities maintenance agreements.

Off-Balance Sheet Arrangements

Except for obligations disclosed above under “Contractual Obligations” and performance obligations incurred in the ordinary course of business, the Bally’s Group is not party to any off-balance sheet arrangements involving guarantee, contingency or similar obligations to entities whose financial statements are not consolidated with the Bally’s Group’s results, and that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors in the Bally’s Group’s securities.

Critical Accounting Policies and Estimates

The preparation of the Bally’s Group’s consolidated financial statements requires it to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The SEC has defined critical accounting policies as those that are both most important to the portrayal of the Bally’s Group’s financial condition and results and require the Bally’s Group’s most difficult, complex or subjective judgements or estimates. Based on this definition, the Bally’s Group believes its critical accounting policies are: (i) valuing intangible assets, (ii) valuing goodwill, (iii) income taxes, (iv) business combinations and (v) pension plans. For all financial statement periods presented, there have been no material modifications to the application of these critical accounting policies and estimates.

Valuation of Intangible Assets

As a result of “fresh start accounting”, the Bally’s Group adjusted the Twin River Casino Hotel intangible assets to reflect their fair values on 5 November 2010 (the “**Emergence Date**”). Intangible assets consist of a Rhode Island VLT licence, the Master Video Lottery Terminal Contract (the “**Contract**”) with the Division of Lotteries for the State of Rhode Island and the State of Rhode Island Department of Transportation, as amended, the Twin River trade name and the Twin River Casino Hotel rated player relationships. The Rhode Island VLT licence has an indefinite life and therefore is not being amortised. The Contract for the VLTs, the Twin River Casino Hotel rated player relationships and the Twin River trade name are being amortised using the straight-line method based on their estimated useful lives from the Emergence Date.

The Bally’s Group’s other intangible assets primarily consist of gaming licences, trademarks, rated player relationships, and hotel and conference pre-bookings, which have all been obtained through acquisition, as well as a Naming Rights intangible asset obtained through the Sinclair Agreement.

The Bally’s Group considers its gaming licences, VLT licences and the Bally’s trademark to be indefinite lived based on future expectations of operating the Bally’s Group’s gaming properties indefinitely and continuing to brand its corporate name and certain properties under the Bally’s trademark indefinitely. Intangible assets not subject to amortisation are reviewed for impairment annually as of October 1 and between annual test dates whenever events or changes in circumstances may indicate that the carrying amount of the related asset may not be recoverable.

The Bally’s Group establishes a useful life upon initial recognition of its finite-lived intangible assets based on the period over which the asset is expected to contribute to the Bally’s Group’s future cash flows, and periodically evaluates the remaining useful lives to determine whether events and circumstances warrant a revision to the remaining period of amortisation. Finite-lived intangible assets are amortised over their remaining useful lives on a straight-line basis.

Valuation of Goodwill

Goodwill represents the excess of reorganisation value over the fair market value of Twin River Casino Hotel net assets on the Emergence Date and the excess of the Hard Rock Biloxi, Newport Grand, Dover Downs, Casino KC and Casino Vicksburg purchase prices over the respective fair values of tangible and identifiable assets acquired and liabilities assumed. The Acquisitions of Bally’s Atlantic City and Shreveport resulted in a bargain purchase and therefore no goodwill was recorded associated with these transactions. The Bally’s Group is required to test goodwill for impairment at least annually, and between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Bally’s Group has elected to perform its annual tests for indications of goodwill impairment as of the first day of the fourth quarter of each year. The Bally’s Group tests for goodwill impairment at the reporting unit level, which is at or one level below the operating segment level.

When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the results of

the qualitative assessment are not conclusive, a quantitative goodwill test is performed. The quantitative goodwill test compares the estimated fair value of each reporting unit with its estimated net book value (including goodwill and identifiable intangible assets). If the reporting unit's estimated fair value exceeds its estimated net book value, goodwill is not impaired. An impairment is recognised if the estimated fair value of a reporting unit is less than its estimated net book value, in an amount not to exceed the carrying value of the reporting unit's goodwill.

Income Taxes

The Bally's Group prepares its income tax provision in accordance with ASC 740, *Income Taxes*. Under the asset and liability method, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income in the period that the rate change is enacted. A valuation allowance is required when it is "more likely than not" that all or a portion of the deferred taxes will not be realised. The consolidated financial statements reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts.

On 22 December 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") to provide guidance on accounting for the tax effects of the TCJA. SAB 118 provides a measurement period that begins in the reporting period that includes the TCJA's enactment date and ends when an entity has obtained, prepared, and analysed the information that was needed in order to complete the accounting requirements under ASC 740, however in no circumstance should the measurement period extend beyond one year from the enactment date. In accordance with SAB 118, a company must reflect in its financial statements the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. SAB 118 provides that to the extent that a company's accounting for certain income tax effects of the TCJA is incomplete, but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements.

The Bally's Group recorded the impact of enactment of U.S. tax reform subject to SAB 118, which provided for a twelve-month remeasurement period to complete the accounting required under Accounting Standards Codification ("ASC") 740, *Income Taxes*. During the fourth quarter of 2018, the Bally's Group completed its analysis to determine the deferred tax effect of the TCJA and recorded immaterial adjustments as of 22 December 2018.

Business Combinations

The Bally's Group accounts for acquired businesses using the acquisition method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of the acquisition at their respective estimated fair values. Goodwill represents the excess of cost over the fair value of net assets acquired in a business combination. The judgments made in determining the estimated fair value assigned to each class of assets acquired, as well as the estimated useful life of each asset, can materially impact the net income of the periods subsequent to the acquisition through depreciation and amortisation, and in certain instances through impairment charges, if the asset becomes impaired in the future. In determining the estimated fair value for intangible assets, the Bally's Group typically utilises the income approach, which discounts the projected future net cash flow using a discount rate deemed appropriate by management that reflects the risks associated with such projected future cash flow.

Determining the useful life of an intangible asset also requires judgment, as different types of intangible assets will have different useful lives and certain assets may even be considered to have indefinite useful lives. Intangible assets determined to have an indefinite useful life are reassessed periodically based on the expected use of the asset by the Bally's Group, legal or contractual provisions that may affect the useful life or renewal or extension of the asset's contractual life without substantial cost, and the effects of demand, competition and other economic factors.

Pension Plan

The Bally's Group sponsors a defined benefit pension plan that covers certain employees who meet eligibility requirements. On 15 June 2011, it was announced that the Dover Downs Pension Plan was frozen to participation and benefit accruals as of 31 July 2011. The benefits provided by the Bally's Group's

defined benefit pension plan are based on years of service and employee's remuneration through 31 July 2011.

While the Bally's Group believes the valuation methods used to determine the fair value of plan assets are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The determination of the Bally's Group's obligation and related expense for Corporation-sponsored pension benefits is dependent, in part, on management's selection of certain actuarial assumptions used in calculating these amounts. These assumptions include, among other things, the discount rate and the expected long-term rate of return on plan assets. Refer to Note 15 "Employee Benefit Plans" in the Notes to Consolidated Financial Statements included in Section B of Part XIV ("**Bally's Financial Information**") for information related to the actuarial assumptions used in determining pension liabilities and expenses.

The Bally's Group reviews and selects the discount rate to be used in connection with its pension obligation annually. The discount rate reflects the current rate at which the associated liabilities could be effectively settled at the end of the year. The Bally's Group sets its rate to reflect the yield of a portfolio of high-quality, fixed-income debt instruments that would produce cash flows sufficient in timing and amount to settle projected future benefits.

The Bally's Group's assumption regarding expected long-term rate of return on plan assets is determined based on the portfolio's actual and target composition, current market conditions, forward-looking return and risk assumptions by asset class, and historical long-term investment performance. In accordance with applicable accounting standards, actual results that differ from the Bally's Group's assumptions are accumulated and amortised over future periods and, therefore, affect expense and obligations in future periods.

For 2020, each 25 basis point increase/decrease in the discount rate and expected return on plan assets would, collectively, increase/decrease pension expense by less than \$0.1 million. Although the Bally's Group believes its assumptions are appropriate, the actuarial assumptions may differ from actual results due to changing market and economic conditions, higher or lower withdrawal rates and longer or shorter life spans of participants.

Amortisation of net actuarial loss or gain expense recognition

The Bally's Group recognises the amortisation of net actuarial loss or gain on the Dover Downs Pension Plan over the remaining life expectancy of all plan participants. This is based on the fact that the defined benefit pension plan is both closed to new entrants and all benefit accruals have been frozen.

Full yield curve expense recognition

The Bally's Group utilises the "full yield curve" approach for determining the interest and service cost components of net periodic benefit cost for defined benefit pension plans. Under this method, the discount rate assumption used in the interest and service cost components of net periodic benefit cost is built through applying the specific spot rates along the yield curve used in the determination of the benefit obligation described above, to the relevant projected future cash flows of its pension plan. The Bally's Group believes the "full yield curve" approach reflects a greater correlation between projected benefit cash flows and the corresponding yield curve spot rates and provides a more precise measurement of interest and service costs.

Recently Issued Accounting Pronouncements

For a discussion of recently issued financial accounting standards, refer to Note 3 "Recently Issued and Adopted Accounting Pronouncements" of Section B of Part XIV ("**Bally's Financial Information**") for further detail.

JOBS Act Transition Period

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Bally's Group has irrevocably elected not to avail itself of this extended transition period and, as a result, it will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

The Bally's Group will rely on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, the Bally's Group will rely on certain of these exemptions, including without limitation, (1) providing an auditor's attestation report on its system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (2) complying with any requirement that may be adopted by the Public Corporation Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. The Bally's Group will be considered an emerging growth company until the earliest to occur of (1) the last day of the first fiscal year in which its annual gross revenues exceed \$1.07 billion, (2) the date that the Bally's Group becomes a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act which could occur if the market value of its shares that are held by non-affiliates exceeds \$700 million as of the last business day of the Bally's Group's most recently completed second fiscal quarter, (3) the date on which the Bally's Group has issued more than \$1.0 billion in non-convertible debt during the preceding three-year period, and (4) the last day of the Bally's Group's fiscal year containing the fifth anniversary of the date on which the Bally's Group first sold common equity securities pursuant to an effective registration statement, or 31 December 2024.

PART XIV

BALLY'S FINANCIAL INFORMATION

Basis of financial information

The following pages set out (i) the unaudited condensed consolidated financial statements for the three months ended 31 March 2021 and (ii) the audited consolidated financial information of the Corporation as of and for the years ended 31 December 2020, 2019 and 2018, all prepared in accordance with U.S. GAAP.

The Corporation's Quarterly Report on Form 10-Q filed with the SEC on 10 May 2021, contains Bally's unaudited condensed consolidated financial statements for the three months ended 31 March 2021 (prepared in accordance with U.S. GAAP).

The Corporation's Annual Report on Form 10-K filed with the SEC on 10 March 2021, contains Bally's audited consolidated financial statements for the three years ended 31 December 2020 (prepared in accordance with U.S. GAAP), together with the audit report in respect of such financial statements.

The Corporation's Annual Report on Form 10-K filed with the SEC on 13 March 2020, contains Bally's audited consolidated financial statements for the three years ended 31 December 2019 (prepared in accordance with U.S. GAAP), together with the audit report in respect of such financial statements.

The Corporation's Annual Report on Form 10-K filed with the SEC on 1 April 2019, contains Bally's audited consolidated financial statements for the three years ended 31 December 2018 (prepared in accordance with U.S. GAAP), together with the audit report in respect of such financial statements.

PART XV

GAMESYS SELECTED FINANCIAL INFORMATION

The following is a summary of the Gamesys financial information for the years ended 31 December 2020, 2019 and 2018. The financial information included in this Part XV (“**Gamesys Selected Financial Information**”) has been extracted without material adjustment from Gamesys’ audited consolidated financial statements incorporated by reference as set out in Part XVI (“**Gamesys Financial Information**”). This summary should be read in conjunction with that information. Gamesys Shareholders and potential investors are advised to read the whole of this Prospectus, and information incorporated by reference herein, and not rely on the information summarised in this Part XV (“**Gamesys Selected Financial Information**”).

Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

Gamesys’ consolidated financial statements are prepared in accordance with IFRS whereas Bally’s consolidated financial statements are prepared in accordance with U.S. GAAP. IFRS differs from U.S. GAAP in a number of significant respects. U.S. GAAP differs from IFRS in a number of significant respects. Bally’s has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for Gamesys Shareholders or potential investors. In making an investment decision, Gamesys Shareholders and potential investors must rely on their own examination of the Bally’s Group, the terms of the Combination and the financial information in this Prospectus. Gamesys Shareholders and potential investors should consult their own professional advisors for an understanding of the differences between IFRS as adopted by the E.U. and U.S. GAAP.

<i>(In £ millions, except per share data)</i>	Years Ended 31 December		
	2020	2019	2018
Statement of Comprehensive Income Data:			
Gaming revenue.....	727.7	415.1	308.2
Net income for the year before taxes from continuing operations	68.7	12.0	19.6
Net income for the year after taxes from continuing operations	67.2	9.1	19.1
Total comprehensive income for the year attributable to owners of the parent.....	60.1	1.9	13.8
Per Common Share Data:			
Net income for the year per share, basic.....	61.8p	10.1p	19.3p
Net income for the year per share, diluted.....	61.5p	10.0p	19.1p
Balance Sheet Data:			
Cash	212.6	100.3	84.4
Total assets.....	1,265.5	1,211.5	645.9
Long-term debt.....	508.1	530.3	371.5
Total equity.....	519.4	464.8	219.1

PART XVI

GAMESYS FINANCIAL INFORMATION

SECTION A: FINANCIAL YEARS ENDED 31 DECEMBER 2020, 2019, 2018

The following documents which Gamesys has filed with the FCA, and are available as described in Part VI (“*Documents Incorporated by Reference*”), contain information about Gamesys which is relevant to the Combination:

- Gamesys’ Annual Report 2020;
- Gamesys’ Annual Report 2019; and
- Gamesys’ Annual Report 2018.

The tables below set out the sections of the above documents that are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Regulation Rules and the UK Prospectus Regulation, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

For the financial year ended 31 December 2020

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor’s report to the members of Gamesys Group PLC.....	Gamesys’ Annual Report 2020	119 – 125
Consolidated statements of comprehensive income for the year ended 31 December 2020	Gamesys’ Annual Report 2020	128
Consolidated balance sheets as at 31 December 2020	Gamesys’ Annual Report 2020	129
Consolidated statements of changes in equity for the year ended 31 December 2020.....	Gamesys’ Annual Report 2020	130
Consolidated statement of cash flows for the year ended 31 December 2020.....	Gamesys’ Annual Report 2020	131
Parent Corporation balance sheets for the year ended 31 December 2020.....	Gamesys’ Annual Report 2020	132
Parent Corporation statements of changes in equity for the year ended 31 December 2020	Gamesys’ Annual Report 2020	133
Parent Corporation statements of cash flows for the year ended 31 December 2020.....	Gamesys’ Annual Report 2020	134
Notes to the consolidated financial statements for the year ended 31 December 2020.....	Gamesys’ Annual Report 2020	135 – 169

For the financial year ended 31 December 2018

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor's report to the members of Gamesys Group PLC.....	Gamesys' Annual Report 2018	78-82
Consolidated statements of comprehensive income for the year ended 31 December 2018	Gamesys' Annual Report 2018	83
Consolidated balance sheets as at 31 December 2018	Gamesys' Annual Report 2018	84
Consolidated statements of changes in equity for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	85
Consolidated statement of cash flows for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	86
Parent Corporation balance sheets for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	87
Parent Corporation statements of changes in equity for the year ended 31 December 2018	Gamesys' Annual Report 2018	88
Parent Corporation statements of cash flows for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	89
Notes to the consolidated financial statements for the year ended 31 December 2018.....	Gamesys' Annual Report 2018	90-117

For the financial year ended 31 December 2019

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor's report to the members of Gamesys Group PLC.....	Gamesys' Annual Report 2019	97-101
Consolidated statements of comprehensive income for the year ended 31 December 2019	Gamesys' Annual Report 2019	102
Consolidated balance sheets as at 31 December 2019	Gamesys' Annual Report 2019	103
Consolidated statements of changes in equity for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	104
Consolidated statement of cash flows for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	105
Parent Corporation balance sheets for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	106
Parent Corporation statements of changes in equity for the year ended 31 December 2019	Gamesys' Annual Report 2019	107
Parent Corporation statements of cash flows for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	108
Notes to the consolidated financial statements for the year ended 31 December 2019.....	Gamesys' Annual Report 2019	109-137

Gamesys Group plc
Unaudited Interim Condensed Consolidated Financial Statements
[in pounds sterling, except where otherwise noted]
For the Three Months Ended 31 March 2021

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Revenue⁴	197.8	155.3
Costs and expenses		
Distribution costs ^{4,5}	107.7	84.0
Administrative costs ^{4,5}	58.0	53.1
Severance costs ⁴	0.8	—
Transaction related costs ⁴	1.9	2.2
Foreign exchange (gain)/loss ⁴	(4.2)	4.0
Total costs and expenses	164.2	143.3
Interest income ⁶	(0.1)	(0.1)
Interest expense ⁶	5.1	6.5
Accretion on financial liabilities ⁶	0.3	0.3
Total financing expenses	5.3	6.7
Net income for the period before taxes	28.3	5.3
Tax expense ⁷	4.5	1.2
Net income for the period attributable to owners of the parent	23.8	4.1
Other comprehensive income/(loss): Items that will or may be reclassified to profit or loss in subsequent periods		
Foreign currency translation gain/(loss) on retranslation of foreign subsidiaries .	3.3	(2.8)
(Loss)/gain on currency swap ¹⁴	(4.7)	2.8
Gain/(loss) on interest rate swap ¹⁴	0.3	(1.0)
Other comprehensive loss for the period	(1.1)	(1.0)
Total comprehensive income/(loss) for the period attributable to owners of the parent	22.7	3.1
Net income for the period per share		
Basic ⁸	21.8p	3.8p
Diluted ⁸	21.7p	3.8p

See accompanying notes

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 31 March 2021 (£m)	As at 31 December 2020 (£m)
ASSETS		
Non-current assets		
Tangible assets	9.2	8.9
Intangible assets ¹⁰	388.8	407.6
Goodwill ¹⁰	523.8	526.2
Right-of-use assets ¹⁵	21.2	21.9
Deferred tax asset ⁷	13.0	9.9
Other long-term receivables ^{11,19}	5.0	5.1
Total non-current assets	961.0	979.6
Current assets		
Cash ^{12,19,22}	250.9	212.6
Player deposits ^{12,19}	29.0	29.6
Trade and other receivables ^{13,19}	38.6	39.9
Taxes receivable	0.5	3.8
Total current assets	319.0	285.9
Total assets	1,280.0	1,265.5
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities ^{16,19}	98.7	98.6
Other short-term payables ¹⁹	0.9	0.3
Current portion of currency and interest rate swap payable ^{9,14,19}	6.8	3.7
Current portion of lease liabilities ^{9,15,19}	5.9	6.1
Interest payable ^{9,19}	1.9	1.9
Payable to players ¹⁹	29.0	29.6
Taxes payable	24.0	16.9
Total current liabilities	167.2	157.1
Non-current liabilities		
Other long-term payables ^{9,14,19,20}	13.7	13.1
Provisions ¹⁷	6.1	6.8
Lease liabilities ^{9,15,19}	16.3	16.6
Deferred tax liability ⁷	42.6	44.4
Long-term debt ^{9,18,19}	492.0	508.1
Total non-current liabilities	570.7	589.0
Total liabilities	737.9	746.1
Equity		
Retained earnings	270.4	246.3
Share capital ²¹	11.0	11.0
Share premium	9.9	8.9
Other reserves	250.8	253.2
Total equity	542.1	519.4
Total liabilities and equity	1,280.0	1,265.5

See accompanying notes

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY**

	Share Capital (£m)	Share Premium (£m)	Merger Reserve (£m)	Share- Based Payment Reserve (£m)	Translation Reserve (£m)	Hedge Reserve (£m)	Retained Earnings (£m)	Total (£m)
Balance at 1 January 2020	10.9	4.7	234.5	10.1	25.4	(11.6)	190.8	464.8
Comprehensive income/(loss) for the period:								
Net income for the period	—	—	—	—	—	—	4.1	4.1
Other comprehensive (loss)/ income.....	—	—	—	—	(2.8)	1.8	—	(1.0)
Total comprehensive (loss)/ income for the period:	—	—	—	—	(2.8)	1.8	4.1	3.1
Contributions by and distributions to shareholders:								
Payment of long-term incentive plan	—	—	—	(0.4)	—	—	—	(0.4)
Share-based compensation.....	—	—	—	0.2	—	—	—	0.2
Total contributions by and distributions to shareholders:	—	—	—	(0.2)	—	—	—	(0.2)
Balance at 31 March 2020	10.9	4.7	234.5	9.9	22.6	(9.8)	194.9	467.7
Balance at 1 January 2021	11.0	8.9	234.5	12.0	17.9	(11.2)	246.3	519.4
Comprehensive income/(loss) for the period:								
Net income for the period	—	—	—	—	—	—	23.8	23.8
Other comprehensive income/(loss)	—	—	—	—	3.3	(4.4)	—	(1.1)
Total comprehensive income/ (loss) for the period:	—	—	—	—	3.3	(4.4)	23.8	22.7
Contributions by and distributions to shareholders:								
Exercise of options ²¹	—	1.0	—	(0.3)	—	—	0.3	1.0
Purchase of shares to satisfy employee incentive obligations ²¹ ...	—	—	—	(1.6)	—	—	—	(1.6)
Share-based compensation ²¹	—	—	—	0.6	—	—	—	0.6
Total contributions by and distributions to shareholders:	—	1.0	—	(1.3)	—	—	0.3	—
Balance at 31 March 2021	11.0	9.9	234.5	10.7	21.2	(15.6)	270.4	542.1

See accompanying notes

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS
OF CASH FLOWS**

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Operating activities		
Cash generated from operations ²²	56.5	36.8
Income taxes paid	(2.3)	(0.8)
Income taxes received	3.2	—
Total cash provided by operating activities	57.4	36.0
Financing activities		
Proceeds from exercise of options	1.0	—
Payment of long-term incentive plan	—	(0.4)
Debt issuance and repricing costs ^{9,18}	—	(0.3)
Principal repayment on long-term debt ^{9,18}	—	(40.0)
Payment of one-time incentive plan ²¹	(1.6)	—
Lease payments ^{9,15}	(1.5)	(1.2)
Interest and swap payments ⁹	(5.4)	(7.3)
Total cash used in financing activities	(7.5)	(49.2)
Investing activities		
Purchase of tangible assets	(1.4)	(0.8)
Purchase of intangible assets ¹⁰	(4.7)	(3.5)
Total cash used in investing activities	(6.1)	(4.3)
Net increase/(decrease) in cash during the period	43.8	(17.5)
Cash, beginning of period	212.6	100.3
Exchange (loss)/gain on cash and cash equivalents	(5.5)	2.4
Cash, end of period	250.9	85.2

See accompanying notes

SUPPLEMENTARY NOTES FOR THE THREE MONTHS ENDED 31 MARCH 2021

1. Corporate information

Gamesys Group plc is an online gaming holding company that was incorporated under the *Companies Act 2006* (England and Wales) on 29 July 2016. Gamesys Group plc's registered office is located at 10 Piccadilly, London, United Kingdom. Unless the context requires otherwise, use of 'Group' in these accompanying notes means Gamesys Group plc and its subsidiaries, as applicable.

The Group currently offers bingo, casino and other games to its players using the Jackpotjoy, Megaways Casino, Botemania, Virgin Games, Heart Bingo, Virgin Casino, Monopoly Casino, Rainbow Riches Casino, Vera&John, InterCasino and VIP Casino brands. All brands operate off proprietary software owned by the Group.

On 24 March 2021, the boards of the Group and Bally's Corporation ('Bally's') announced a possible combination and on 13 April 2021, the Group announced agreement of definitive terms by which it will combine with Bally's (the 'Bally's Combination'). Pursuant to the Bally's Combination, Bally's would acquire the entire issued and to be issued ordinary share capital of the Group. Under the terms of the Bally's Combination, each shareholder of the Group will be entitled to receive 1,850p in cash for each ordinary share of the Group. Bally's will also make available a share alternative, pursuant to which Gamesys shareholders may elect to receive Bally's shares in lieu of part or all of the cash consideration to which they would otherwise be entitled under the terms of the Bally's Combination. Under the share alternative, for each ordinary share of the Group, shareholders will be entitled to 0.343 of Bally's shares.

2. Basis of preparation

Basis of presentation

These Unaudited Interim Condensed Consolidated Financial Statements have been prepared by management on a going concern basis, are presented in compliance with International Accounting Standard 34 – *Interim Financial Reporting* and have been prepared on a basis consistent with the accounting policies and methods used and disclosed in Gamesys Group plc's consolidated financial statements for the year ended 31 December 2020 (the 'Annual Financial Statements'), except as described below. Certain information and disclosures normally included in the Annual Financial Statements prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') have been omitted or condensed.

These Unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statements. All defined terms used herein are consistent with those terms as defined in the Annual Financial Statements.

These Unaudited Interim Condensed Consolidated Financial Statements have been prepared under the historical cost convention, other than for the measurement at fair value of the Group's Interest Rate Swap, Currency Swap and certain loans receivable.

3. Summary of significant accounting policies

For a description of the Group's significant accounting policies, critical accounting estimates and assumptions, and related information see notes 3 and 4 to the Annual Financial Statements. Other than what is described below, there have been no changes to the Group's significant accounting policies or critical accounting estimates and assumptions during the three months ended 31 March 2021.

Contingent liabilities

Management has exercised judgement in applying the Group's accounting policies to the recognition of transaction related costs attributable to work performed during the three months ended 31 March 2021 in relation to the Bally's Combination. Furthermore, management has assessed whether any contingent transaction related costs meet the recognition criteria set out by IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, and has concluded that on the basis of the position at the reporting date, no additional provisions or accruals are required. Disclosure of a contingent liability is also not required as economic inflows and outflows are considered improbable as at 31 March 2021.

4. Segment information

The Group has a single operating segment, being online gaming. The online gaming segment consists of online bingo and casino operating results of the Jackpotjoy, Megaways Casino, Virgin Games, Heart Bingo, Botemania, Rainbow Riches Casino, Virgin Casino, Monopoly Casino, Vera&John, InterCasino and VIP Casino brands.

The following tables present selected financial results for online gaming and the unallocated corporate costs:

Three months ended 31 March 2021:

	Online gaming (£m)	Unallocated corporate costs (£m)	Total (£m)
Revenue	197.8	—	197.8
Distribution costs.....	107.7	—	107.7
Amortisation and depreciation	24.3	0.2	24.5
Compensation, professional, and general and administrative expenses.....	28.6	4.9	33.5
Severance costs.....	0.8	—	0.8
Transaction related costs	—	1.9	1.9
Foreign exchange gain	(0.7)	(3.5)	(4.2)
Financing, net	0.3	5.0	5.3
Income/(loss) for the period before taxes.....	36.8	(8.5)	28.3
Tax expense	4.4	0.1	4.5
Net income/(loss) for the period after taxes	32.4	(8.6)	23.8
Net income/(loss) for the period after taxes	32.4	(8.6)	23.8
Interest expense, net.....	0.3	4.7	5.0
Accretion on financial liabilities	—	0.3	0.3
Tax expense	4.4	0.1	4.5
Amortisation and depreciation	24.3	0.2	24.5
EBITDA	61.4	(3.3)	58.1
Severance costs.....	0.8	—	0.8
One-off tax charges	(0.4)	—	(0.4)
Transaction related costs	—	1.9	1.9
Foreign exchange gain	(0.7)	(3.5)	(4.2)
Adjusted EBITDA	61.1	(4.9)	56.2
Net income/(loss) for the period after taxes	32.4	(8.6)	23.8
Severance costs.....	0.8	—	0.8
One-off tax charges	(0.4)	—	(0.4)
Transaction related costs	—	1.9	1.9
Foreign exchange gain	(0.7)	(3.5)	(4.2)
Amortisation of acquisition related purchase price intangibles...	19.9	—	19.9
Accretion on financial liabilities	—	0.3	0.3
Deferred tax on purchase price intangibles	(1.8)	—	(1.8)
Adjusted net income/(loss).....	50.2	(9.9)	40.3

Three months ended 31 March 2020:

	Online gaming (£m)	Unallocated corporate costs (£m)	Total (£m)
Revenue	155.3	—	155.3
Distribution costs.....	84.0	—	84.0
Amortisation and depreciation	22.6	0.2	22.8
Compensation, professional, and general and administrative expenses.....	25.8	4.5	30.3
Transaction related costs	—	2.2	2.2
Foreign exchange (gain)/loss.....	(0.8)	4.8	4.0
Financing, net	0.2	6.5	6.7
Income/(loss) for the period before taxes.....	23.5	(18.2)	5.3
Tax expense	1.1	0.1	1.2
Net income/(loss) for the period after taxes	22.4	(18.3)	4.1
Net income/(loss) for the period after taxes	22.4	(18.3)	4.1
Interest expense, net.....	0.2	6.2	6.4
Accretion on financial liabilities	—	0.3	0.3
Tax expense	1.1	0.1	1.2
Amortisation and depreciation	22.6	0.2	22.8
EBITDA.....	46.3	(11.5)	34.8
Transaction related costs	—	2.2	2.2
Foreign exchange (gain)/loss.....	(0.8)	4.8	4.0
Adjusted EBITDA	45.5	(4.5)	41.0
Net income/(loss) for the period after taxes	22.4	(18.3)	4.1
Transaction related costs	—	2.2	2.2
Foreign exchange (gain)/loss.....	(0.8)	4.8	4.0
Amortisation of acquisition related purchase price intangibles...	19.2	—	19.2
Accretion on financial liabilities	—	0.3	0.3
Deferred tax on purchase price intangibles	(1.6)	—	(1.6)
Adjusted net income/(loss).....	39.2	(11.0)	28.2

During the three months ended 31 March 2021, revenue was earned from players situated in the following locations: United Kingdom – 60% (three months ended 31 March 2020 – 59%), Japan – 28% (three months ended 31 March 2020 – 24%), Spain – 4% (three months ended 31 March 2020 – 5%), rest of Europe – 2% (three months ended 31 March 2020 – 6%), rest of world – 6% (three months ended 31 March 2020 – 6%).

During the three months ended 31 March 2021, the Group's B2B Revenue comprised 4% (three months ended 31 March 2020 – 4%) of total Group revenue, with the remaining portion being revenue earned from Net Gaming Revenue operations.

Non-current assets by geographical location as at 31 March 2021 were as follows: Europe £97.5 million (31 December 2020 – £98.8 million), Americas £4.9 million (31 December 2020 – £6.1 million) and United Kingdom £858.6 million (31 December 2020 – £874.7 million). £18.5 million of the movement in non-current assets relates to the Group's online gaming segment, with the remainder relating to unallocated corporate costs.

5. Costs and expenses

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Distribution costs:		
Selling and marketing	43.2	35.0
Licensing fees	17.6	13.5
Gaming taxes	28.7	23.6
Processing fees	18.2	11.9
	107.7	84.0
Administrative costs:		
Compensation and benefits	24.5	21.6
Professional fees	2.4	1.6
General and administrative	6.6	7.1
Tangible and right-of-use asset depreciation	2.2	1.9
Intangible asset amortisation	22.3	20.9
	58.0	53.1

6. Interest income/expense

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Total interest income	0.1	0.1
Interest accrued and paid on long-term debt	4.7	6.1
Interest accrued on deferred consideration	0.1	0.1
Interest accrued and paid on lease liabilities	0.3	0.3
Total interest expense	5.1	6.5
Debt issue costs and accretion recognised on long-term debt	0.3	0.3
Total accretion on financial liabilities	0.3	0.3

7. Taxes and deferred taxes

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
UK	2.6	1.4
Foreign jurisdictions	7.4	1.7
Adjustments for prior periods.....	—	2.0
Current tax expense.....	10.0	5.1
Tax effect of temporary differences.....	(3.7)	(2.3)
Reversal of temporary differences related to business combinations.....	(1.8)	(1.6)
Deferred tax credit.....	(5.5)	(3.9)
Total tax expense.....	4.5	1.2

The difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profits for the period is as follows:

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Profit for the period before taxes (continuing operations)	28.3	5.3
Tax using Gamesys Group plc's domestic tax rate of 19% (2020 – 19%)	5.4	1.0
<i>Adjusted for effects of:</i>		
Non-deductible expenses	3.6	0.4
Different tax rates applied in foreign jurisdictions	(5.7)	(5.6)
Non-capital loss for which no tax benefit has been recorded	0.9	2.9
Adjustments for prior periods.....	—	2.0
Utilisation of brought forward losses not previously recognised as an asset	(0.1)	—
Other differences.....	0.4	0.5
Total tax expense.....	4.5	1.2

As at 31 March 2021, taxes payable and receivable balances consist primarily of taxes related to the 2018, 2019, 2020 and 2021 fiscal years.

As at 31 March 2021, the Group has tax losses amounting to £6.2 million (31 December 2020 – £4.5 million) for which no deferred tax asset has been recognised due to reduced certainty over the existence of future taxable profits in the affected subsidiaries.

	Deferred tax asset (£m)	Deferred tax liability (£m)
Balance, 1 January 2020	—	53.2
Deferred tax on purchase price intangibles.....	—	(8.7)
Transfer from current taxes receivable.....	7.2	—
Accrued tax rebates	4.8	—
Temporary differences: intangible assets.....	1.7	—
Transfer to current taxes receivable	(3.8)	—
Foreign exchange translation.....	—	(0.1)
	<hr/>	<hr/>
Balance, 31 December 2020.....	9.9	44.4
	<hr/>	<hr/>
Deferred tax on purchase price intangibles.....	—	(1.8)
Temporary differences: intangible assets.....	(0.4)	—
Accrued tax rebates	4.1	—
Foreign exchange translation.....	(0.6)	—
	<hr/>	<hr/>
Balance, 31 March 2021.....	13.0	42.6
	<hr/>	<hr/>

Deferred tax assets relate to differences in timing of distribution of taxed profits through intercompany dividend declarations (£11.7 million) and other temporary differences (£1.3 million). Deferred tax liabilities relate exclusively to balances arising on business combinations.

8. Earnings per share

The following table presents the calculation of basic and diluted earnings per share:

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Numerator:		
Net income attributable to owners of the parent – basic.....	23.8	4.1
Net income attributable to owners of the parent – diluted.....	23.8	4.1
	<hr/>	<hr/>
Denominator:.....		
Weighted average number of shares outstanding – basic (#).....	109.4	108.7
Weighted average effect of dilutive share options (#).....	0.4	—
	<hr/>	<hr/>
Weighted average number of shares outstanding – diluted (#).....	109.8	108.7
	<hr/>	<hr/>
Net income per share ^{1,2}		
Basic.....	21.8p	3.8p
Diluted.....	21.7p	3.8p
	<hr/>	<hr/>

¹Basic net income per share is calculated by dividing the net income by the weighted average number of shares outstanding during the period.

²Diluted net income per share is calculated by dividing the net income by the weighted average number of shares outstanding during the period and adjusted for the number of potentially dilutive share options and contingently issuable instruments.

9. Liabilities arising from financing activities

The following is a reconciliation of liabilities arising from financing activities:

	Long-term debt (£m)	Interest payable (£m)	Non-compete clauses (£m)	Interest rate swap liability (£m)	Currency swap liability (£m)	Deferred consideration (£m)	Lease liabilities (£m)	Total (£m)
Balance, 1 January 2020	530.3	1.0	4.7	1.1	9.3	10.0	22.7	579.1
Cash flows	(40.3)	(21.8)	(4.7)	(0.9)	(2.3)	—	(5.9)	(75.9)
Non-cash flows:								
Fair value adjustments	—	—	—	1.6	(2.0)	—	—	(0.4)
Interest expense	—	22.9	—	—	—	—	1.2	24.1
Lease liabilities recognised	—	—	—	—	—	—	4.6	4.6
Accretion	1.2	—	—	—	—	—	—	1.2
Foreign exchange translation	16.9	(0.2)	—	—	—	—	0.1	16.8
Balance, 31 December 2020	508.1	1.9	—	1.8	5.0	10.0	22.7	549.5
Cash flows	—	(4.7)	—	(0.2)	(0.5)	—	(1.5)	(6.9)
Non-cash flows:								
Fair value adjustments	—	—	—	(0.3)	4.7	—	—	4.4
Interest expense	—	4.7	—	—	—	—	0.3	5.0
Lease liabilities recognised	—	—	—	—	—	—	0.9	0.9
Accretion	0.3	—	—	—	—	—	—	0.3
Foreign exchange translation	(16.4)	—	—	—	—	—	(0.2)	(16.6)
Balance, 31 March 2021	492.0	1.9	—	1.3	9.2	10.0	22.2	536.6

10. Intangible assets and goodwill

As at 31 March 2021

	Player relationships (£m)	Software (£m)	Brand (£m)	Partnership agreements (£m)	Goodwill (£m)	Total (£m)
Cost:						
Balance, 1 January 2021	516.2	142.0	68.5	17.8	545.7	1,290.2
Additions	—	4.7	—	—	—	4.7
Translation	(1.2)	(2.6)	(0.5)	(0.3)	(2.7)	(7.3)
Balance, 31 March 2021	515.0	144.1	68.0	17.5	543.0	1,287.6
Accumulated amortisation/impairment						
Balance, 1 January 2021	262.0	38.7	20.0	16.2	19.5	356.4
Amortisation	17.6	3.3	0.9	0.5	—	22.3
Translation	(1.0)	(2.1)	(0.2)	(0.1)	(0.3)	(3.7)
Balance, 31 March 2021	278.6	39.9	20.7	16.6	19.2	375.0
Carrying value						
Balance, 31 March 2021	236.4	104.2	47.3	0.9	523.8	912.6

As at 31 December 2020

	Player relationships (£m)	Software (£m)	Brand (£m)	Partnership agreements (£m)	Goodwill (£m)	Total (£m)
Cost.....						
Balance, 1 January 2020.....	515.0	123.0	68.2	17.5	544.4	1,268.1
Additions.....	—	16.8	—	—	—	16.8
Translation.....	1.2	2.2	0.3	0.3	1.3	5.3
Balance, 31 December 2020	516.2	142.0	68.5	17.8	545.7	1,290.2
Accumulated amortisation/impairment ...						
Balance, 1 January 2020.....	188.4	25.6	16.5	8.7	20.2	259.4
Amortisation.....	72.4	12.0	3.4	3.4	—	91.2
Impairment ¹	—	—	—	4.1	—	4.1
Translation.....	1.2	1.1	0.1	—	(0.7)	1.7
Balance, 31 December 2020	262.0	38.7	20.0	16.2	19.5	356.4
Carrying value.....						
Balance, 31 December 2020	254.2	103.3	48.5	1.6	526.2	933.8

¹During the year ended 31 December 2020, a number of the Group's purchase price partnership agreements have either expired or have been terminated. As a result, the Group recognised a £4.1 million impairment for the unamortised portion of the relevant contracts.

11. Other long-term receivables

	31 March 2021 (£m)	31 December 2020 (£m)
Secured convertible loan.....	3.9	3.9
Long-term loan receivable (net of ECL provision discussed in note 13).....	0.9	1.0
Other.....	0.2	0.2
	5.0	5.1

12. Cash, restricted cash and player deposits

	31 March 2021 (£m)	31 December 2020 (£m)
Cash.....	250.9	212.6
Player deposits – restricted cash ¹	29.0	29.6

¹Player deposits – restricted cash consists of cash held by the Group in relation to amounts payable to players.

13. Trade and other receivables

	31 March 2021 (£m)	31 December 2020 (£m)
Trade receivables	8.4	8.4
Due from payment service providers ('PSPs')	19.7	20.4
Prepaid expenses	11.1	12.4
Sales tax receivable	5.4	4.7
Other receivables	3.3	3.5
ECL on above balances.....	(9.3)	(9.5)
	38.6	39.9

The following table summarises the movement of the Group's expected credit loss provision on trade and other receivables:

	(£m)
Balance, 1 January 2020	4.5
ECL on certain balances held with PSPs	5.0
Balance, 31 December 2020	9.5
ECL on certain balances held with PSPs	—
Foreign exchange translation	(0.2)
Balance, 31 March 2021	9.3

The following table summarises the Group's expected credit loss on its trade and other receivables and other long-term receivables at 31 March 2021:

	0-30 days (£m)	31- 60 days (£m)	61- 90 days (£m)	90 days + (£m)	Total (£m)
Trade and other receivables.....	0.1	—	0.3	0.5	0.9
Other long-term receivables (note 11)	—	—	—	0.4	0.4
	0.1	—	0.3	0.9	1.3

The following table summarises the Group's expected credit loss on its trade and other receivables and other long-term receivables at 31 December 2020:

	0-30 days (£m)	31-60 days (£m)	61-90 days (£m)	90 days + (£m)	Total (£m)
Trade and other receivables.....	0.1	—	0.1	0.7	0.9
Other long-term receivables (note 11)	—	—	—	0.4	0.4
	0.1	—	0.1	1.1	1.3

14. Currency swap and interest rate swap

Currency swap

As at 31 March 2021, the fair value of the Currency Swap was a £9.2 million payable (31 December 2020 – £5.0 million). The Group has included £6.1 million of this amount in current liabilities (31 December

2020 – £2.9 million), with the remaining balance included in other long-term payables, as discussed in note 20. For the three months ended 31 March 2021, the Group recognised a loss of £4.7 million in other comprehensive income (three months ended 31 March 2020 – gain of £2.8 million).

	<u>(£m)</u>
Balance, 1 January 2020	9.3
FVOCI ¹	(4.3)
	<hr/>
Balance, 31 December 2020	5.0
	<hr/>
FVOCI ¹	4.2
	<hr/>
Balance, 31 March 2021	9.2
	<hr/>

¹The difference between the total gain/(loss) on the Currency Swap and the portion connected to fair value revaluations relates to cash payments made on the Currency Swap.

Interest rate swap

As at 31 March 2021, the fair value of the Interest Rate Swap was a £1.3 million payable (31 December 2020 – £1.8 million). The Group has included £0.7 million of this payable in current liabilities (31 December 2020 – £0.8 million), with the value of the remaining balance included in other long-term payables, as discussed in note 20. For the three months ended 31 March 2021, the Group recognised a gain of £0.3 million in other comprehensive income (three months ended 31 March 2020 – loss of £1.0 million).

	<u>(£m)</u>
Balance, 1 January 2020	1.1
FVOCI ¹	0.7
	<hr/>
Balance, 31 December 2020	1.8
	<hr/>
FVOCI ¹	(0.5)
	<hr/>
Balance, 31 March 2021	1.3
	<hr/>

¹The difference between the total gain/(loss) on the Interest Rate Swap and the portion connected to fair value revaluations relates to cash payments made on the Interest Rate Swap.

15. Leases

The Group's leasing activity consists solely of leases of property. As at 31 March 2021, the carrying value of the right-of-use assets amounted to £21.2 million and the carrying value of lease liabilities amounted to £22.2 million, with £5.9 million (year ended 31 December 2020 – £6.1 million) of this balance shown in current liabilities and the remaining portion of £16.3 million (year ended 31 December 2020 – £16.6 million) reflected under non-current liabilities.

Right-of-use assets

	<u>(£m)</u>
Balance, 1 January 2020	22.2
Additions	4.2
Depreciation	(5.3)
Effect of modification of lease terms	0.4
Foreign exchange movements	0.4
	<hr/>
Balance, 31 December 2020	21.9
	<hr/>
Additions	0.9
Depreciation	(1.3)
Effect of modification of lease terms	—
Foreign exchange movements	(0.3)
	<hr/>
Balance, 31 March 2021	21.2

The lease liabilities balances were calculated using an incremental borrowing rate range of 2.0% – 5.0%.

Lease liabilities

	<u>(£m)</u>
Balance, 1 January 2020	22.7
Additions	4.2
Interest expense	1.2
Effect of modification of lease terms	0.4
Lease payments	(5.9)
Foreign exchange movements	0.1
	<hr/>
Balance, 31 December 2020	22.7
	<hr/>
Additions	0.9
Interest expense	0.3
Effect of modification of lease terms	—
Lease payments	(1.5)
Foreign exchange movements	(0.2)
	<hr/>
Balance, 31 March 2021	22.2

16. Accounts payable and accrued liabilities

	31 March 2021 (£m)	31 December 2020 (£m)
	<hr/>	<hr/>
Trade payables	11.9	12.2
Accruals.....	52.1	52.3
Gaming taxes, social security and other taxes	34.7	34.1
	<hr/>	<hr/>
	98.7	98.6

17. Provisions

	(£m)
Balance, 1 January 2020	9.8
Transfer to taxes payable	(3.8)
Release of provisions in the year	(6.0)
Provisions in the year	6.8
Balance, 31 December 2020	6.8
Release of provisions in the period	(0.4)
Foreign exchange translation	(0.3)
Balance, 31 March 2021	6.1

18. Long term debt

	EUR Term Facility (£m)	GBP Term Facility (£m)	Total (£m)
Balance, 1 January 2020	282.9	247.4	530.3
Accretion ¹	0.7	0.5	1.2
Repayment	—	(40.0)	(40.0)
Debt repricing costs.....	—	(0.3)	(0.3)
Foreign exchange translation.....	16.9	—	16.9
Balance, 31 December 2020	300.5	207.6	508.1
Accretion ¹	0.2	0.1	0.3
Foreign exchange translation.....	(16.4)	—	(16.4)
Balance, 31 March 2021	284.3	207.7	492.0
Current portion	—	—	—
Non-current portion	284.3	207.7	492.0

¹Effective interest rates are as follows: EUR Term Facility – 3.51% (2020 – 3.51%), GBP Term Facility – 4.56% (2020 – 4.56%).

19. Financial instruments

The principal financial instruments used by the Group are summarised below:

Financial assets

	Financial assets as subsequently measured at amortised cost	
	31 March 2021 (£m)	31 December 2020 (£m)
Cash.....	250.9	212.6
Player deposits	29.0	29.6
Trade and other receivables	33.2	35.2
Other long-term receivables.....	1.1	1.2
	314.2	278.6

Financial liabilities

	Financial liabilities as subsequently measured at amortised cost	
	31 March 2021 (£m)	31 December 2020 (£m)
Accounts payable and accrued liabilities	64.0	64.5
Other short-term payables.....	0.9	0.3
Interest payable	1.9	1.9
Payable to players	29.0	29.6
Deferred consideration payable	10.0	10.0
Lease liabilities.....	22.2	22.7
Long-term debt.....	492.0	508.1
	620.0	637.1

The carrying values of the financial instruments noted above approximate their fair values.

Other financial instruments

	Financial instruments at fair value – assets/(liabilities)	
	31 March 2021 (£m)	31 December 2020 (£m)
Interest Rate Swap – through other comprehensive income	(1.3)	(1.8)
Currency Swap – through other comprehensive income.....	(9.2)	(5.0)
Other long-term receivables – through profit or loss.....	3.9	3.9
	(6.6)	(2.9)

Fair value hierarchy

All of the Group's financial instruments carried at fair value are classified in level 2 of the hierarchy.

The Interest Rate Swap and Currency Swap balances represent the fair values of expected cash flows under the Interest Rate Swap and Currency Swap agreements. Counterparty valuation reports are used as the basis of fair values of these instruments.

Other long-term receivables represent the fair value of the loan receivable from Gaming Realms. The key inputs into the fair value estimation of this balance include the share price of Gaming Realms on the date of cash transfer, a 2-year risk-free interest rate of 0.0278%, and an estimated share price return volatility rate of Gaming Realms of 73.0%.

20. Other long-term payables

	31 March 2021 (£m)	31 December 2020 (£m)
Deferred consideration payable	10.0	10.0
Interest Rate Swap (note 14)	0.6	1.0
Currency Swap (note 14).....	3.1	2.1
	13.7	13.1

21. Share capital

	(£m)	Ordinary shares of 10p #
Balance, 1 January 2020	10.9	108,665,248
Exercise of options	0.1	630,000
Issue of shares under the G MINE SIP	—	27,066
Balance, 31 December 2020.....	11.0	109,322,314
Exercise of options	—	150,000
Issue of shares under the G MINE SIP	—	8,316
Balance, 31 March 2021	11.0	109,480,630

Ordinary shares

During the three months ended 31 March 2021, Gamesys Group plc did not issue any additional ordinary shares, except as described below. The issued share capital is fully paid up.

Long-term incentive plan

During the three months ended 31 March 2021, the Group recorded £0.5 million (three months ended 31 March 2020 – £0.2 million) in share-based compensation expense relating to its long-term incentive plans with a corresponding increase in share-based payment reserve.

Employee share incentive plan

During the three months ended 31 March 2021, the Group recorded £0.1 million (three months ended 31 March 2020 – £nil) in share-based compensation expense relating to its G MINE SIP with a corresponding increase in share-based payment reserve.

Additionally, during the three months ended 31 March 2021, the Group made a cash payment of £1.6 million (three months ended 31 March 2020 – £nil) to acquire the Group's ordinary shares to be distributed to its employee base to satisfy the Group's obligation in respect of the one-time employee incentive, as discussed in the Annual Financial Statements.

22. Cash generated from operations

The following table provides a reconciliation of net income for the period to cash generated from operations:

	Three months ended 31 March 2021 (£m)	Three months ended 31 March 2020 (£m)
Net income for the period	23.8	4.1
Adjustments for:.....		
Share-based compensation expense.....	0.6	0.2
Amortisation and depreciation.....	24.5	22.8
Tax expense.....	4.5	1.2
Interest expense, net	5.3	6.7
Foreign exchange (gain)/loss.....	(4.2)	4.0
Restriction of cash balances	—	(0.5)
Increase in trade and other receivables	—	(1.3)
Increase in other long-term receivables.....	—	0.1
Increase/(decrease) in accounts payable and accrued liabilities	1.7	(0.6)
Increase in other short-term payables.....	0.7	0.1
Reduction in provisions	(0.4)	—
Cash generated from operations	56.5	36.8

23. Contingent liabilities

Indirect taxation

Gamesys Group plc subsidiaries may be subject to indirect taxation on transactions, including those that have been treated as exempt supplies of gambling, or on supplies that have been zero rated where legislation provides that the services are received or used and enjoyed in the country where the service provider is located. Revenue earned from players located in any particular jurisdiction may give rise to further taxes in that jurisdiction for example, by way of gaming taxes levied on the Group's revenue. If such taxes are levied, either on the basis of current law or the current practice of any tax authority, or by reason of a change in the law or practice, then this may have a material adverse effect on the amount of tax payable by the Group or on its financial position.

Regulatory

As the Group operates real-money gaming activities through various gambling licences, compliant anti-money laundering, anti-terrorism, safer gambling, fraud detection, risk management and other regulatory policies, procedures, and controls to mitigate and effectively manage these risks must be maintained. If the Group fails to do so, enforcement action by gambling regulators, or other governmental agencies or private action by affected third parties could occur. Enforcement actions could include financial penalties or regulatory settlements, public warnings, the imposition of special operating conditions, and the suspension or revocation of gambling licences. At any given point in time, the Group's operating practices are typically under review by one or more regulatory authorities whose ongoing reporting of findings will often be outstanding and as such the outcomes can be uncertain.

Where it is considered probable that a previously identified contingent liability will give rise to an actual outflow of funds, then a provision is made in respect of the relevant jurisdiction and period impacted. Such provision is recorded when three criteria are met: (1) a present obligation from a past event exists, (2) it is probable that an outflow of resources will be required to settle the obligation, and (3) a reliable estimate can be made. Where these three criteria are not met no liability is recognised on the balance sheet date. At 31 March 2021, the Company has not recognised any such provision. (31 December 2020: £nil)

PART XVII

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE COMBINED GROUP

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 statement of operations (“**Pro Forma Statement of Operations**”) based upon the audited 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 (the “**Completed Acquisitions**”) and the Corporation’s planned combination with Gamesys (the “**Gamesys Combination**”), the 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* Statement of Operations for the year ended December 31, 2020 gives effect to the Transactions as if each of them had occurred on January 1, 2020. The *Pro Forma* Balance Sheet as of December 31, 2020 gives effect to the Corporation’s acquisition (the “**MontBleu Acquisition**”) of MontBleu Resort Casino & Spa (“**MontBleu**”), the Gamesys Combination, the Financing Transaction, and the Equity Offerings as if each of them had occurred on December 31, 2020.

The Unaudited *Pro Forma* Financial Information set out below has been prepared in accordance with sections 1 and 2 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980.

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 Corporation’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 Corporation in its historical financial statements for 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.

Deloitte LLP’s accountant’s report on the Unaudited *Pro Forma* Financial Information is set out in this Part XVII.

Completed Acquisitions

On July 1, 2020, the Corporation closed its acquisition of each of IOC-Kansas City, Inc. (“**Casino KC**”) and Rainbow Casino-Vicksburg Partnership, L.P. (“**Casino Vicksburg**”) from Caesars Entertainment, Inc., formerly Eldorado Resorts, Inc. (“**Caesars**”), for an aggregate purchase price of \$230,000,000 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 Corporation’s revolving credit facility.

On December 23, 2020, the Corporation closed its acquisition of Eldorado Resort Casino Shreveport (“**Shreveport**”) from Caesars for a purchase price of \$140,000,000 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 Corporation’s revolving credit facility.

On April 6, 2021, the Corporation completed its acquisition of MontBleu from Caesars for a purchase price of \$15,000,000 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 Corporation expects that this acquisition will be funded with available cash on hand or available borrowings under the Corporation’s existing debt agreements when due in April 2022.

The acquisitions of Casino KC, Casino Vicksburg, Shreveport and MontBleu (together the “**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 Completed Acquisitions will be allocated to the Acquired Companies' assets acquired and liabilities assumed based upon their estimated fair values at the date of consummation of the relevant acquisition.

Gamesys Combination

On April 13, 2021, the Corporation issued an announcement pursuant to Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers disclosing the terms of the Gamesys Combination 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 Combination, 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 Corporation in lieu of part or all of the cash consideration to which they would be entitled to elect to receive under the Gamesys Combination at an exchange ratio of 0.343 new Bally's common shares for each Gamesys share. The minimum number of shares to be issued, per agreement with certain shareholders (the "**Electing Gamesys Shareholders**"), is 9,834,900 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 Combination 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 Corporation 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.

Financing Transaction

On April 13, 2021, Bally's entered into a secured bridge loan agreement (the "**Bridge Facility**"), subject to limited conditions, under which the lenders party thereto agreed to provide the financing necessary to pay the maximum cash portion of the consideration payable to Gamesys' shareholders upon consummation of the Gamesys Combination and related fees and expenses (the "**Bridge Commitment**"), assuming no Gamesys shareholders other than the Electing Gamesys Shareholders were to elect for the share alternatives described above. The remaining proceeds from the Bridge Facility, together with, the GLPI Commitment (defined below), if funded, will be utilized to repay the outstanding balance of Gamesys' EUR and GBP Term Facilities. On April 20, 2021, the amount of the Bridge Commitment was reduced by the net proceeds from the Common Stock Offering (defined below).

Bally's has also entered into a commitment letter (the "**GLPI Commitment Letter**") with Gaming & Leisure Properties, Inc. ("**GLPI**") pursuant to which GLPI has irrevocably committed to purchase shares of our common stock, or, subject to U.S. regulatory requirements, warrants, with a value of up to \$500 million (the "**GLPI Commitment**") at a price per share based on the volume-weighted average price determined over a period of time prior to such issuance. The proceeds may be used to fund a portion of the aggregate cash consideration for the Combination, acquisition costs and fees and expenses incurred by Bally's and its affiliated entities related to the Combination, or to refinance the existing indebtedness of Gamesys. The GLPI Commitment contemplates that Bally's and GLPI will affect one or more takeout sale and leaseback transactions, thereby reducing the number of Bally's shares (or warrants) to be issued to GLPI. The amount of the GLPI Commitment may be reduced by certain net proceeds from the Equity Offerings.

The incurrence of the Bridge Facility and issuance of shares pursuant to the GLPI Commitment are collectively referred to as the "Financing Transaction".

Equity Offerings

Common Stock Offering. On April 20, 2021, the Corporation 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 Corporation received total net proceeds for the Common Stock Offering of approximately \$671.4 million, net of issuance costs of \$24.4 million.

The Corporation intends to use the net proceeds from the Common Stock Offering to partially fund the cash portion of the consideration payable for the Gamesys Combination. Upon the consummation of the Common Stock Offering, substantially all of the net proceeds were placed in an escrow account with one of the banks

that have committed to finance the Gamesys Combination to reduce such financing commitments. If the Gamesys Combination is terminated, lapses or is withdrawn for any reason prior to the consummation of the Gamesys Combination, the net proceeds of the Common Stock Offering will be released to the Corporation from escrow and, after payment of any cash redemption amount and/or repurchase price, used for general corporate purposes.

Unregistered Sales of Equity Securities. On April 20, 2021, the Corporation 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 proceeds from the sale of the Warrant were used by the Corporation to pay transaction costs related to Transactions.

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 December 31, 2020

(in thousands)

	Pro forma adjustments							Pro forma Combined Corporation
	Bally's Historical (Note 2)	MontBleu pre-acquisition results and reclassifications (Note 5)	MontBleu Combination Adjustments (Note 6)	Gamesys (US GAAP) (Note 7)	Gamesys Combination Adjustments (Note 8)	Financing Transaction (Note 9)	Equity Offerings (Note 10)	
Assets								
Cash and cash equivalents	\$ 123,445	\$ 2,494	\$ —	\$ 289,788	\$ (2,906,448)	\$ 2,234,921	\$ 671,399	\$ 415,599
Restricted cash	3,110	—	—	—	—	—	—	3,110
Players deposit	—	—	—	40,347	—	—	—	40,347
Accounts receivable, net	14,798	1,370	—	54,386	—	—	—	70,554
Inventory	9,296	537	—	—	—	—	—	9,833
Tax receivable	84,483	—	—	—	5,387	—	20,818	110,688
Prepaid expenses and other current assets	53,823	1,271	—	5,180	—	—	—	60,274
Total current assets	288,955	5,672	—	389,701	(2,901,061)	2,234,921	692,217	710,405
Property and equipment, net	749,029	56,259	(49,345)	12,131	—	—	—	768,074
Right of use assets, net	36,112	41,636	16,171	29,851	—	—	—	123,770
Goodwill, net	186,979	5	(5)	717,245	1,229,418	—	—	2,133,642
Intangible assets, net	663,395	4,368	4,532	555,586	1,047,380	—	—	2,275,261
Deferred tax assets	—	—	—	13,494	—	—	—	13,494
Other assets	5,385	8	—	6,952	—	—	—	12,345
Total assets	\$ 1,929,855	\$ 107,948	\$ (28,647)	\$ 1,724,960	\$ (624,264)	\$ 2,234,921	\$ 692,217	\$ 6,036,991
Liabilities and Shareholders' Equity								
Current portion of long-term debt	\$ 5,750	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,750
Current portion of lease obligations	1,520	550	1,877	8,315	—	—	—	12,262
Current portion of cross currency and interest rate swap payable	—	—	—	5,043	—	—	—	5,043
Accounts payable	15,869	661	—	17,038	—	—	—	33,568
Payable to players	—	—	—	40,347	—	—	—	40,347
Accrued liabilities	120,055	2,263	15,000	143,395	28,352	—	—	309,065
Total current liabilities	143,194	3,474	16,877	214,138	28,352	—	—	406,035
Lease obligations, net of current portion	62,025	65,790	(14,051)	22,627	—	—	—	136,391
Long-term debt, net of current portion	1,094,105	—	—	692,574	(692,574)	1,734,921	—	2,829,026
Pension benefit obligations	9,215	—	—	—	—	—	—	9,215
Deferred tax liability	36,983	—	1,675	60,520	244,044	—	—	343,222
Naming rights liabilities	243,965	—	—	27,125	—	—	—	243,965
Other long-term liabilities	13,770	436	—	—	—	—	—	41,331
Total liabilities	\$ 1,603,257	\$ 69,700	\$ 4,501	\$ 1,016,984	\$ (420,178)	\$ 1,734,921	\$ —	\$ 4,009,185
Shareholders' equity								
Common stock	307	—	—	14,994	(14,896)	—	106	604
Additional paid-in capital	294,643	—	—	12,131	514,626	93	745,644	2,066,951
Treasury stock, at cost	—	—	—	—	—	499,907	—	—
Retained earnings	34,792	38,248	(33,148)	335,723	(358,688)	—	(53,533)	(36,606)
Other reserves	(3,144)	—	—	345,128	(345,128)	—	—	(3,144)
Accumulated other comprehensive loss	—	—	—	—	—	—	—	—
Total shareholders' equity	326,598	38,248	(33,148)	707,976	(204,085)	500,000	692,217	2,027,806
Total liabilities and share holders' equity	\$ 1,929,855	\$ 107,948	\$ (28,647)	\$ 1,724,960	\$ (624,264)	\$ 2,234,921	\$ 692,217	\$ 6,036,990

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 share and per share amounts)

	Pro forma adjustments							Pro forma Combined Corporation
	Bally's Historical (Note 2)	Completed Acquisitions pre- acquisition results and reclassifications (Note 5)	Completed Acquisitions Adjustments (Note 4)	Gamesys (US GAAP) (Note 7)	Gamesys Combination Adjustments (Note 8)	Financing Transaction (Note 9)	Equity Offerings (Note 10)	
Revenues	\$ 372,792	\$ 124,348	\$ —	\$ 934,398	\$ —	\$ —	\$ —	\$ 1,431,538
Operating costs and expenses								
Gaming, racing, hotel, food and beverage, retail, entertainment and other.....	138,669	56,911	—	513,489	—	—	—	709,069
Advertising, general and administrative.....	176,943	44,069	2,920	170,778	—	—	—	394,710
Goodwill and asset impairment.....	8,659	—	—	—	—	—	—	8,659
Expansion and pre-opening.....	921	—	—	—	—	—	—	921
Acquisition, integration and restructuring expense.....	13,257	—	—	4,751	28,352	—	74,351	120,711
Storm related losses, net of insurance recoveries.....	14,095	—	—	—	—	—	—	14,095
Rebranding.....	792	—	—	—	—	—	—	792
Depreciation and amortization.....	37,842	14,553	(2,780)	121,599	50,532	—	—	221,746
Foreign Exchange Gain/Loss.....	—	—	—	5,393	—	—	—	5,393
Total operating costs and expenses	391,178	115,533	140	816,010	78,884	—	74,351	1,476,096
Income (loss) from operations	(18,386)	8,815	(140)	118,388	(78,884)	—	(74,351)	(44,558)
Other income (expense)								
Interest income.....	612	—	—	642	—	—	—	1,254
Interest expense, net of amounts capitalized.....	(63,248)	(6,167)	(498)	(30,817)	30,817	—	—	(125,540)
Change in value of running rights liabilities.....	(57,660)	—	—	—	—	(55,627)	—	(57,660)
Gain on bargain purchases.....	63,871	—	5,100	—	—	—	—	68,971
Total other expense	(56,425)	(6,167)	4,602	(30,175)	30,817	(55,627)	—	(112,975)
Income (loss) before provision for income taxes	(74,811)	2,648	4,462	88,213	(48,067)	(55,627)	(74,351)	(157,533)
Provision (Benefit) for income taxes.....	(69,324)	322	1,249	1,926	(9,133)	(15,576)	(20,818)	(111,354)
Net income (loss)	\$ (5,487)	\$ 2,326	\$ 3,213	\$ 86,287	\$ (38,934)	\$ (40,051)	\$ (53,533)	\$ (46,179)
Earnings per share (Note 11):								
Basic.....	\$ (0.18)							\$ (0.72)
Diluted.....	\$ (0.18)							\$ (0.72)
Weighted average shares outstanding (Note 11)								
Basic.....	31,315,151				9,834,900		13,559,090	64,042,723
Diluted.....	31,315,151				9,834,900		13,559,090	64,042,723

(a) Includes pre-acquisition results for (1) Casino KC and Casino Vicksburg for the period from January 1, 2020 through June 30, 2020, (2) Shreveport for the period from January 1, 2020 through December 22, 2020 and (3) MontBleu for the period from January 1, 2020 through December 31, 2020. See Note 3 for reclassification adjustments made to conform the Completed 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 by Bally's in accordance with sections 1 and 2 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980. 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 Transactions 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 properly compile Bally's *Pro Forma* Balance Sheet and *Pro Forma* Statement of Operations assuming the Transactions had been consummated as of December 31, 2020 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.

Bally's has concluded that the MontBleu Acquisition and the Gamesys Combination each represent business combinations 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 a preliminary valuation for the MontBleu Acquisition, and based on publicly available benchmarking information as well as a variety of other assumptions, including market participant assumptions for the Gamesys Combination. The Corporation 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 December 31, 2020. The preliminary purchase price allocations has been used to prepare *pro forma* adjustments in the Unaudited *Pro Forma* Financial Information. The final purchase price allocations will be determined when Bally's has completed the Gamesys Combination. The final purchase price allocations could differ materially from the preliminary purchase price allocations. The final purchase price allocations may include changes in allocations to intangible assets, goodwill and bargain purchase 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* Statement 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, the Acquired Companies and Gamesys as of and for the year ended December 31, 2020.

Note 2 — Bally's historical financial statements

The results and net assets of Bally's as of and for the year ended December 31, 2020 have been extracted without material adjustment from the audited consolidated financial statements of Bally's, as set out in Bally's Annual Report for the fiscal year ended December 31, 2020.

Note 3 — Completed Acquisitions pre-acquisition results and reclassifications

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

Reclassifications in the *Pro Forma* Statement of Operations are as follows:

Year Ended December 31, 2020						
<i>(In thousands)</i>	Casino KC and Casino Vicksburg Before Reclassification Note (a)	Shreveport Before Reclassification Note (b)	MontBleu Reported Note (c)	Reclassifications	Notes	Completed Acquisitions After Reclassifications
Revenues	\$25,130	\$67,763	\$31,455	\$—		\$124,348
Operating costs and expenses						
Gaming, racing, hotel, food and beverage, retail, entertainment and other	10,493	34,974	13,819	(2,375)	(d)	56,911
Marketing & promotions	1,144	2,248	—	(3,392)	(d)	—
Advertising, general and /administrative	9,068	11,765	14,893	8,343	(d)	44,069
Management Fee	514	2,062	—	(2,576)	(d)	—
Depreciation and amortization	2,913	6,904	4,736	—		14,553
Total operating costs and expenses	24,132	57,953	33,448	—		115,533
Income from operations	998	9,810	(1,993)	—		8,815
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 before provision for income taxes	(732)	5,373	(1,993)	—		2,648
(Benefit) Provision for income taxes	322	—	—	—		322
Net income (loss)	\$(1,054)	\$5,373	\$(1,993)	\$—		\$2,326

(a) The results of Casino KC and Casino Vicksburg for the period from January 1, 2020 through June 30, 2020 have been extracted without material adjustment 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 without material adjustment 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) The results of MontBleu for the year ended December 31, 2020 have been extracted without material adjustment 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.

(d) 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 — Completed 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 Unaudited *Pro Forma* Financial Information:

4(a) Represents a \$2,920 increase 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 Completed Acquisitions. Bally's estimated that the fair value of property and equipment was less than MontBleu's book value by \$49.3 million, 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 \$2.9 million on a combined basis for the year ended December 31, 2020 using the straight-line method of depreciation, including a reduction in MontBleu depreciation expense of \$2.5 million. The estimated remaining useful lives of acquired property and equipment from the Completed Acquisitions ranged from 2 years to 40 years:

<i>(In thousands)</i>	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)
Casino KC, Casino Vicksburg, and Shreveport Pro forma adjustment....				(369)
Reduction in MontBleu depreciation expense.....				(2,536)
Total Pro forma Adjustment				<u><u>\$(2,905)</u></u>

4(c) Represents the amortization of intangible assets related to the Completed Acquisitions over a three- to ten-year period as if the Completed 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:

<i>(In thousands)</i>	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)
Casino KC, Casino Vicksburg, and Shreveport Pro forma adjustment....				55
Increase in MontBleu amortization expense.....				70
Total Pro forma Adjustment				<u><u>\$125</u></u>

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 Corporation 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 Corporation 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 Corporation had financing in place to fund the acquisition:

<i>(In thousands)</i>	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) Represents the non-recurring gain on bargain purchase recorded in connection with the MontBleu Acquisition.

4(f) Reflects the income tax effect of the Completed 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:

<i>(In thousands)</i>	Casino KC, Casino Vicksburg, and Shreveport	MontBleu	Total
Total <i>Pro forma</i> tax adjustment.....	\$(37)	\$1,286	\$1,249

Note 5 – MontBleu pre-acquisition results and reclassifications

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

MontBleu reclassifications in the *Pro Forma* Balance Sheet are as follows:

<i>(In thousands)</i>	MontBleu Reported December 31, 2020	Reclassifications	Note	MontBleu After Reclassifications December 31, 2020
Assets				
Cash and cash equivalents.....	\$2,494	\$—		\$2,494
Accounts receivable, net.....	1,370	—		1,370
Inventory	537	—		537
Prepaid expenses and other current assets	1,271	—		1,271
Total current assets.....	5,672	—		5,672
Property and equipment, net.....	56,259	—		56,259
Right of use assets, net.....	—	41,636	(a)	41,636
Goodwill, net	5	—		5
Intangible assets, net.....	4,368	—		4,368
Other assets.....	41,644	(41,636)	(a)	8
Total assets.....	\$107,948	\$—		\$107,948
Liabilities and Shareholders' Equity				
Current portion of lease obligations....	—	550	(b)	550
Accounts payable.....	661	—		661
Accrued liabilities	2,813	(550)	(b)	2,263
Total current liabilities	3,474	—		3,474
Lease obligations, net of current portion	—	65,790	(c)	65,790
Deferred credits and other liabilities ...	66,226	(66,226)	(c)	—
Other long-term liabilities.....	—	436	(c)	436
Total liabilities	69,700	—		69,700
Commitments and contingencies	—	—		—
Shareholders' equity:				
Retained earnings.....	38,248	—		38,248
Total shareholders' equity.....	38,248	—		38,248
Total liabilities and shareholders' equity	\$107,948	\$—		\$107,948

(a) Represents the reclassification of Other Assets (\$41,636) to Right of Use Assets, net.

(b) Represents the reclassification of Accrued liabilities (\$550) to Current portion of lease obligations.

(c) Represents the reclassification of Deferred credits and other liabilities (\$66,226) to Lease obligations, net of current portion (\$65,790) and Other long-term liabilities (\$436).

Note 6 — MontBleu combination adjustments

6(a) Preliminary purchase consideration and purchase price allocation

The acquisition of MontBleu, which closed on April 6, 2021, resulted in Bally's acquiring all of the outstanding equity securities of MontBleu for a purchase price of \$15 million in cash, payable one year from the closing date, subject to certain customary post-closing adjustments.

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

(In thousands)

Purchase price	\$15,000
Write-down/(write-up) of assets:	
Property and equipment, net	49,345
Right of use assets	(16,171)
Intangible assets	(4,532)
Historical goodwill	5
(Write-down)/write-up of liabilities:	
Lease obligations (current portion)	1,877
Lease obligations	(14,051)
Deferred income taxes	1,675
Elimination of equity:	
Retained earnings	(38,248)
Bargain Purchase	\$(5,100)

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

6(b) Represents the total purchase price for MontBleu, which is due in cash on the one-year anniversary of the closing of the transaction.

6(c) Represents the \$5,100 non-recurring gain on bargain purchase recorded in connection with the MontBleu Acquisition.

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 December 31, 2020 spot rate to translate the Balance Sheet and the average daily exchange rate for 2020 to translate the Statement of Operations:

GBP £ / USD \$

December 31, 2020 spot rate	1.3631
Year ended December 31, 2020 average exchange rate	1.2840

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 May 14, 2021 of £1/US\$1.4088 would increase the translated amounts of net income for the year ended December 31, 2020, as well as increase total assets as of December 31, 2020, presented below, by approximately \$8,384 and \$57,876, respectively.

Refer below for impacted line items and adjustments to the Unaudited *Pro Forma* Balance Sheet as of December 30, 2020:

<i>(In thousands)</i>	Gamesys Reported IFRS (GBP) (a)	Reclassifications (GBP) Note	Gamesys U.S. GAAP (GBP)	Gamesys U.S. GAAP (USD)
Current assets				
Cash and cash equivalents.....	212,600	—	212,600	289,788
Player deposits.....	29,600	—	29,600	40,347
Accounts receivable, net.....	39,900	—	39,900	54,386
Taxes receivable.....	3,800	(3,800) (b)	—	—
Prepaid expenses and other current assets.....	—	3,800 (b)	3,800	5,180
Total current assets.....	285,900	—	285,900	389,701
Non-current assets				
Property and equipment, net.....	8,900	—	8,900	12,131
Intangible assets.....	407,600	—	407,600	555,586
Goodwill.....	526,200	—	526,200	717,245
Right-of-use assets.....	21,900	—	21,900	29,851
Deferred tax asset.....	9,900	—	9,900	13,494
Other long-term receivables.....	5,100	(5,100) (c)	—	—
Other assets.....	—	5,100 (c)	5,100	6,952
Total assets.....	1,265,500	—	1,265,500	\$1,724,960
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities.....	98,600	(98,600) (d),(e)	—	—
Accounts payable.....	—	12,500 (d)	12,500	17,038
Accrued liabilities.....	—	105,200 (e)	105,200	143,395
Other short-term payables.....	300	(300) (d)	—	—
Current portion of cross currency and interest rate swap payable.....	3,700	—	3,700	5,043
Current portion of lease obligations.....	6,100	—	6,100	8,315
Interest payable.....	1,900	(1,900) (e)	—	—
Payable to players.....	29,600	—	29,600	40,347
Provision for taxes.....	16,900	(16,900) (e)	—	—
Total current liabilities.....	157,100	—	157,100	214,138
Non-current liabilities				
Other long-term payables.....	13,100	(13,100) (f)	—	—
Other long-term liabilities.....	—	19,900 (f)	19,900	27,125
Provisions.....	6,800	(6,800) (f)	—	—
Lease obligations, net of current portion.....	16,600	—	16,600	22,627
Deferred tax liability.....	44,400	—	44,400	60,520
Long-term debt, net of current portion.....	508,100	—	508,100	692,574
Total liabilities.....	746,100	—	746,100	1,016,984
Equity				
Retained earnings.....	246,300	—	246,300	335,723
Share capital.....	11,000	(11,000) (g)	—	—
Common stock.....	—	11,000 (g)	11,000	14,994
Share premium.....	8,900	(8,900) (g)	—	—
Additional paid-in capital.....	—	8,900 (g)	8,900	12,131
Other reserves.....	253,200	—	253,200	345,128
Total shareholders' equity.....	519,400	—	519,400	707,976
Total liabilities and shareholders' equity.....	1,265,500	—	1,265,500	\$1,724,960

(a) The net assets of Gamesys as at December 31, 2020 have been extracted without material adjustment from the audited 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 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 £12.2 million of trade payables from Accounts payable and accrued liabilities to Accounts payable and £0.3 million of Other short-term payables to Accounts payable.
- (e) Reclassification of Interest payable, Provision for taxes, and £86.4 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:

(In thousands)	Reclassification and IFRS to U.S. GAAP adjustments (GBP)				Gamesys U.S. GAAP (GBP)	Gamesys U.S. GAAP (USD)
	Gamesys Reported IFRS (GBP) (a)	Reclassification Adjustments	Leases	Notes		
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 year ended December 31, 2020 have been extracted without material adjustment from the audited 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* Statement of Operations presentation:

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

(c) Includes the reclassification of £91.2 million and £8.8 million of amortization and depreciation, respectively to Depreciation and amortization.

(d) Reclassification of £5.0 million of Impairment of financial assets and £121.5 million 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 £5.3 million of depreciation and £1.2 million of interest expense 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 Combination adjustments

8(a) Preliminary purchase consideration and allocation

The Gamesys Combination, 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 \$3,391 million funded through debt financing and the issuance of equity. The Corporation 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.....	28,673,178	(i)
Gamesys purchase price per share translated using May 14, 2021 spot rate	\$26.06	
Bally's closing share price on May 14, 2021	\$53.57	
Exchange ratio	0.343	(i)
Total Bally's shares to be issued	9,834,900	
Total value of Bally's shares to be issued	\$526,856	(i)
Total cash consideration paid at \$26.06 price per Gamesys Share	\$2,171,874	(ii)
Repayment of Gamesys Debt	\$692,574	(iii)
Total purchase consideration	\$3,391,304	
Less total cash acquired.....	\$(247,788)	(iv)
Purchase consideration, net of cash acquired	\$3,143,516	
Allocation of purchase consideration, net of cash acquired:		
Estimated fair values of assets acquired		
Current assets, excluding cash.....	\$99,913	(v)
Intangible assets	\$1,602,966	(v)
Other non-current assets	\$62,428	(v)
Total estimated fair values of liabilities assumed, excluding debt	\$(263,890)	(v)
Deferred tax liability.....	\$(304,564)	(v)
Residual Goodwill	\$1,949,663	
Less Gamesys' historical goodwill.....	\$(717,245)	
Goodwill adjustment.....	\$1,229,418	(vi)

- (i) Upon closing of the Gamesys Combination, Bally's will provide eligible Gamesys shareholders who validly 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 \$1.4088 per Pound Sterling, based on the May 14, 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 Combination. As such, for purposes of this Unaudited *Pro Forma* Financial Information, Bally's estimates 25.6% of Gamesys' outstanding shares (112,005,496 shares on May 14, 2021, including 2,386,295 Gamesys shares that are expected to vest immediately prior to the transaction) will be exchanged for 9,834,900 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 74.43% of Gamesys' outstanding shares will be exchanged for cash, resulting in aggregate cash consideration of \$2,172 million to be financed through net proceeds from the Equity Offerings and Bridge Facility. The remaining proceeds from the Bridge Facility will be used for the repayment of Gamesys' EUR and GBP Term Facilities. The GLPI Commitment will be utilized to the extent the proceeds from the Equity Offerings and Bridge Facility are not sufficient. The actual amount of purchase consideration that will be settled in equity will be determined upon consummation of the Gamesys Combination. 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 \$52.7 million, or 983,490 shares of Bally's Common Stock.
- (ii) Cash consideration assumes 74.4% of outstanding Gamesys shares will be exchanged for cash equal to £18.50 per share.
- (iii) Under the terms of the Gamesys Combination, Bally's will repay the outstanding balance of Gamesys debt. The value of the Gamesys debt at December 31, 2020 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.

<i>(In thousands)</i>	Year ended December 31, 2020
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	1,602,966
Less: historical intangible assets	(555,586)
<i>Pro forma</i> adjustment.....	\$1,047,380

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 related to identified intangible assets acquired in connection with the Gamesys Combination. 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.

<i>(In thousands)</i>	Fair Value	Useful Life (Years)	Amortization Method	Year ended December 31, 2020
Trademarks and trade names.....	\$184,014	10	Straight Line	\$17,335
Customer relationships	995,038	10	Straight Line	93,735
Developed technology (Software).....	395,289	7	Straight Line	53,196
Partnership Agreement	28,624	8	Straight Line	3,371
Gaming Licenses	N/A	N/A	Straight Line	—
Non-compete Agreements	N/A	N/A	Straight Line	—
Total acquired finite lived intangible assets.....	1,602,966	—	—	167,637
Less: historical intangible asset amortization expense				(117,105)
<i>Pro forma</i> adjustment				\$50,532

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 (\$692,574) and reversal of related interest expense (\$30,817).

8(g) Reflects the income tax effect of *pro forma* adjustments the year ended December 31, 2020.

Bally's has used a UK statutory tax rate of 19 percent to calculate the financing and acquisition related adjustments to the *Pro Forma* Balance Sheet. The total adjustment to deferred tax liabilities is related to the following estimated fair value adjustments:

<i>(In thousands)</i>	Fair Value	Tax rate	<i>Pro Forma</i> Deferred Tax Adjustment
Intangible assets, net	\$1,602,966	19%	\$304,564
Less: deferred taxes on historical intangible assets			(60,520)
<i>Pro forma</i> adjustment.....			\$244,044

The tax impact of the financing and acquisition business-related adjustments to the *Pro Forma* Statement of Operations was a \$9,133 tax benefit. This adjustment includes amortization, elimination of interest expense, interest expense related to borrowing costs, and transaction costs. The total tax impact was calculated using a tax rate of 19 percent.

8(h) Represents adjustments to equity related to the Gamesys Combination:

	Eliminate Gamesys' Equity	Issuance to Gamesys Shareholders	Transaction Costs	Total Acquisition Adjustments to Equity
Common stock.....	(14,994)	98	—	(14,896)
Additional paid-in capital.....	(12,131)	526,757	—	514,626
Retained earnings	(335,723)	—	(28,352)	(364,075)
Other Reserves.....	(345,128)	—	—	(345,128)
Total shareholders' equity	(707,976)	526,856	(28,352)	(209,472)

Note 9 — Financing Transaction adjustments

Adjustments to the *Pro Forma* Balance Sheet related to the Bridge Facility and GLPI Commitment include the following:

9(a) Represents an increase in cash related to net proceeds from the Bridge Facility entered into by Bally's and net proceeds from the \$500 million GLPI Commitment to provide the financing necessary to pay the cash portion of the consideration payable to Gamesys' shareholders upon consummation of the Gamesys Combination, for refinancing existing indebtedness from Gamesys upon consummation of the Combination and to pay fees, costs and expenses incurred in connection with the Combination:

<i>(in thousands except for per share amounts)</i>	
Bally's share price on May 14, 2021	\$53.57
Bally's shares to be issued to GLPI	9,334
Proceeds from GLPI.....	\$500,000
Gross proceeds of Bridge Facility	\$1,745,393
Bridge Facility fees	\$(10,472)
Net proceeds from Bridge Facility	\$1,734,921
Total proceeds from Financing Transaction	\$2,234,921

- 9(b) Represents a \$1,735 million increase in debt from the Bridge Facility, net of \$10.5 million related fees and expenses.
- 9(c) Represents a \$93 adjustment to common stock related to the issuance of 8.1 million shares, at par value of \$0.01 per share, expected to be issued to GLPI (at an assumed purchase price equal to the closing sale price of Bally's common stock on NYSE on May 14, 2021), and a \$499.9 million adjustment to additional paid in capital related to the GLPI Commitment, as discussed above.

Adjustments to the Unaudited *Pro Forma* Income Statement related the Bridge Facility include the following:

- 9(d) Comprised of amortization of \$10.3 million of fees incurred in connection with the Bridge Facility and \$45.3 million of interest expense related to the Bridge Facility. The adjustment assumes that the Bridge Facility was outstanding for the full year 2020 at a weighted average interest rate of 2.66%. This rate is based on the 1 Month LIBOR rate at December 31, 2020 plus 2.50%. A change in the underlying interest rate of 1/8 of a percentage point would result in an increase or decrease in interest expense of \$2.1 million.
- 9(e) Represents the tax benefit related to the Financing Transaction adjustments.

Note 10 — Equity Offerings adjustments

Adjustments to the *Pro Forma* Balance Sheet and *Pro Forma* Statement 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 from Common Stock Offering	671,399
Proceeds from sale of Warrant	50,000
Total net cash proceeds from Equity Offerings	721,399

- 10(b) Represents tax benefit related to the issuance fees and offering expenses for the Equity Offerings.
- 10(c) Comprised of 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 \$695.6 million adjustment related to the Common Stock Offering and a \$50 million adjustment related to the sale of a 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* Statement 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 Combination, the Financing Transaction and the Equity Offerings, assuming the shares were outstanding since January 1, 2020. As the Gamesys Combination, the 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 Combination, the

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. Basic and diluted earnings per share are equal as the combined company has a *pro forma* net loss.

<i>(In thousands, except shares and per share amounts)</i>	December 31, 2020
<i>Pro forma</i> net loss	\$(46,179)
Basic and diluted weighted average common shares outstanding:	
Historical share count	31,315,151
Expected shares issuable to Gamesys Shareholders	9,834,900
Additional issuance in Common Stock Offering	12,650,000
Additional issuance to GLPI	9,333,582
Sale of Warrant	909,090
Basic and diluted weighted average common shares outstanding used in <i>pro forma</i> loss per share	64,042,723
<i>Pro forma</i> loss per share, basic and diluted	\$(0.72)

The Board of Directors including the Proposed Bally's Directors (as defined in the Prospectus)
on behalf of Bally's Corporation
100 Westminster Street Providence
Rhode Island
02903-2394
United States

1 June 2021

Dear Sirs/Mesdames,

Bally's Corporation (the "Company")

We report on the pro forma financial information (the "**unaudited Pro forma financial information of the Combined Group**") set out in Part XVII of the prospectus dated 1 June 2021 (the "**Prospectus**"). This report is required by section 3 of Annex 20 to Commission delegated regulation (EU) 2019/980 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "Prospectus Delegated Regulation") and is given for the purpose of complying with that regulation and for no other purpose.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro forma financial information in accordance with Annex 20 sections 1 and 2 of the Prospectus Delegated Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex 20 section 3 of the Prospectus Delegated Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1 item 1.3 of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

Basis of preparation

The pro forma financial information has been prepared on the basis described in note 1, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2020.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company and the Target in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that to the best of our knowledge, the information contained in this report is, in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Delegated Regulation.

Yours faithfully

A handwritten signature in black ink that reads "Deloitte LLP." The signature is written in a cursive, slightly stylized font.

Deloitte LLP

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.

PART XVIII

EXPLANATORY STATEMENT

On 21 December 2018, the Corporation filed a registration statement on Form S-4 (as amended on 25 January 2019 and 6 February 2019) with the Securities and Exchange Commission in the United States in connection with the Corporation's merger (the "**Dover Downs merger**") with Dover Downs Gaming & Entertainment, Inc. ("**Dover Downs**"). The Registration Statement included certain long-term unaudited projections in respect of revenue and Adjusted EBITDA for the Corporation and net revenue, Adjusted EBITDA and Adjusted EBIT for Dover Downs for 2018, 2019, 2020, 2021, 2022 and 2023.

These projections were subject to a significant number of assumptions and were not to be viewed as public guidance and are now deemed to be invalid as the actual results of the Bally's Group (including Dover Downs subsequent to the consummation of the Dover Downs merger) for these periods has, and is expected to, differ significantly for, among other reasons, the following:

- A significant amount of time has passed since 2019;
- Bally's Group has completed a number of acquisitions since 2019 (for further information, see Part VIII ("**Information on Bally's**"), and has announced the Combination, which were not contemplated in 2019 and which have had or will have (as applicable) in aggregate a material impact on the Bally's Group;
- Bally's Group strategic entry into the interactive entertainment market in 2020, before which Bally's Group only owned and operated land-based casinos; and
- the global COVID-19 pandemic and the resulting impact on the global economy and on the Bally's Group.

Bally's and Gamesys produce business plans and forecasts in the ordinary course of business and in connection with transactions such as the Combination for internal purposes and not for with a view to publication. The information contained in this explanatory statement is provided solely to comply with Prospectus Rule requirements applicable to previously published projections that are now deemed invalid.

PART XIX

TAXATION

THE CONTENTS OF THIS PART XIX (“TAXATION”) ARE NOT TO BE CONSTRUED AS TAX ADVICE IN RESPECT OF THE IMPACT OF THE ACQUISITION OR OTHERWISE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISER FOR TAX ADVICE.

Certain United Kingdom tax considerations

General

The following statements are only a general guide to the principal U.K. tax consequences of the Offer and holding and disposing of New Bally’s Shares and do not constitute legal or tax advice. They are based on U.K. tax legislation as applied in England and Wales and published practice of Her Majesty’s Revenue & Customs (“HMRC”) in force and effect at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect, unless expressly provided otherwise.

These statements relate solely to Gamesys Shareholders who receive New Bally’s Shares in connection with the Offer and who are resident and, in the case of individuals, resident and domiciled in the U.K. for U.K. tax purposes and who are not resident for tax purposes in any other jurisdiction (“**New U.K. Bally’s Shareholders**”).

These statements relate solely to New U.K. Bally’s Shareholders who are the absolute beneficial owners of New Bally’s Shares who are beneficially entitled to the dividends thereon in circumstances where the dividends paid are regarded for U.K. tax purposes as that person’s own income (and not the income of some other person) and receive dividends otherwise than through an Individual Savings Account or Self Investment Personal Pension, who hold their New Bally’s Shares as an investment and not as trading stock, who have not (and are not deemed to have) acquired their New Bally’s Shares by reason of an office or employment and to whom the split year treatment does not apply.

The statements below are not exhaustive and may not apply to certain classes of New U.K. Bally’s Shareholders such as (but not limited to) dealers in securities, broker dealers, insurance companies, collective investment schemes, tax exempt organisations, financial institutions, persons who hold the New Bally’s Shares as part of hedging or conversion transactions, persons subject to the remittance basis, persons connected with Bally’s, persons who hold investments in any HMRC-approved arrangements or schemes, or persons who control or hold (either alone or together with one or more associated or connected persons) directly or indirectly, 10% or more of the shares and/or voting power of Bally’s.

The statements below in respect of U.K. stamp duty reserve tax also assume that Bally’s is a body corporate not incorporated in the U.K., that Bally’s is not and will not be centrally managed and controlled in the U.K., that there is no register, and that there will continue to be no register, in the U.K. in respect of the New Bally’s Shares, that New Bally’s Shares are not and will not be paired with shares issued by a body corporate incorporated in the U.K. and that the New Bally’s Shares are and will continue to be listed on a recognised stock exchange (within the meaning given by Section 1137(1) of the U.K. Corporation Tax Act 2010).

IF NEW U.K. BALLY’S SHAREHOLDERS OR POTENTIAL INVESTORS ARE IN ANY DOUBT AS TO THEIR TAX POSITION OR IF NEW U.K. BALLY’S SHAREHOLDERS OR POTENTIAL INVESTORS ARE OR MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE U.K. SUCH NEW U.K. BALLY’S SHAREHOLDERS OR POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

Dividends—U.K. withholding tax

Bally’s is not required to withhold U.K. tax from dividends paid on the New Bally’s Shares.

(As regards U.S. withholding tax, New U.K. Bally’s Shareholders and potential investors should read the section of this Prospectus headed “*United States Federal Income Tax Considerations*” in this Part XIX (“*Taxation*”).)

Dividends—U.K. corporation tax and U.K. income tax

General

A New U.K. Bally's Shareholder who receives a dividend on the New Bally's Shares may be subject to U.K. corporation or U.K. income tax (as the case may be) on that dividend.

As described in the section of this Prospectus headed "*United States Federal Income Tax Considerations*" in this Part XIX ("*Taxation*"), U.S. tax will generally be required to be withheld from dividends paid on New Bally's Shares. The normal rate of tax to be withheld is 30% of the gross amount of the dividend. This rate may, however, be reduced under an applicable double tax treaty. The rate of withholding on dividends for New U.K. Bally's Shareholders who are entitled to claim (and who make a valid claim for) the benefit of the U.S.-U.K. Double Tax Treaty is generally 15%

If a New U.K. Bally's Shareholder receives a dividend on New Bally's Shares and U.S. tax is withheld from the payment of the dividend, credit for such U.S. tax may be available for set-off against a liability to U.K. corporation tax or U.K. income tax on the dividend. The amount of such credit will normally be equal to the lesser of the amount withheld and the liability to U.K. tax on the dividend. Such credit will not normally be available for set-off against a New U.K. Bally's Shareholder's liability to U.K. tax other than on the dividend and, to the extent that such credit is not set off against U.K. tax on the dividend, the credit will be lost.

Individuals

New U.K. Bally's Shareholders who are within the charge to U.K. income tax will pay no tax on their dividend allowance, being the first £2,000 of dividend income. The rates of income tax on dividends received above the dividend allowance are currently (i) 7.5% for basic rate taxpayers; (ii) 32.5 percent for higher rate taxpayers; and (iii) 38.1 percent for additional rate taxpayers. Dividend income that is within the dividend allowance counts towards an individual's basic or higher rate limits and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of this allowance. In calculating into which tax band any dividend income over the £2,000 allowance falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Special rules may apply to individuals who are resident but not domiciled in the U.K. for U.K. tax purposes.

Companies

New U.K. Bally's Shareholders who are within the charge to U.K. corporation tax will *prima facie* be subject to U.K. corporation tax on any dividends on the New Bally's Shares unless certain conditions for exemption are satisfied. The exemption is of wide application and such New Bally's Shareholders will therefore generally not be subject to U.K. corporation tax on the dividend.

Disposal of New Bally's Shares—U.K. corporation tax and U.K. capital gains tax

A disposal or deemed disposal of New Bally's Shares by a New U.K. Bally's Shareholder may, depending on the New U.K. Bally's Shareholder's particular circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for CGT purposes.

A disposal of New Bally's Shares by a New Bally's Shareholder which is not a UK tax resident would not ordinarily give rise to a chargeable gain for CGT purposes, except for certain limited circumstances. An individual New U.K. Bally's Shareholder who has ceased to be resident for tax purposes in the U.K., or is Treaty non-resident for a period of five years or less (or, for departures before 6 April 2013, ceases to be resident or ordinarily resident or becomes Treaty non-resident for a period of less than five tax years) and who disposes of all or part of his New Bally's Shares during that period may be liable to CGT on his return to the U.K., subject to any available exemptions or reliefs. Double taxation relief arrangements do not normally apply to prevent such an individual from being subject to U.K. CGT in such circumstances.

The disposal of New Bally's Shares by a New U.K. Bally's Shareholder in exchange for shares in another company will not constitute a disposal for CGT purposes, provided certain conditions for this relief are met, and instead the capital basis of the New Bally's Shares will be "rolled-over" into the new shares.

Special rules may apply to individuals who are resident but not domiciled in the U.K. for U.K. tax purposes.

U.K. stamp duty and U.K. stamp duty reserve tax

No U.K. stamp duty will be payable in respect of a paperless transfer of New Bally's Shares in dematerialised form.

No U.K. stamp duty will be payable on a written transfer of New Bally's Shares if such transfer is executed and retained outside the U.K. and does not relate to any property situated in the U.K. or to any other matter or thing done or to be done in the U.K. (which may include, without limitation, the involvement of U.K. bank accounts in payment mechanics).

No U.K. stamp duty reserve tax will arise in respect of an agreement to transfer New Bally's Shares.

United States federal income tax considerations

Subject to the limitations, assumptions and qualifications described herein, the following is a summary of certain United States federal income tax considerations applicable to the ownership and disposition of New Bally's Shares received pursuant to the Offer. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations promulgated thereunder (the "**Treasury Regulations**"), judicial decisions and current administrative rulings and practices of the U.S. Internal Revenue Service (the "**IRS**"), all as in effect and available as of the date hereof and all of which are subject to change or differing interpretation, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

This summary assumes that holders will hold New Bally's Shares as capital assets within the meaning of Section 1221 of the Code for United States federal income tax purposes (generally, property held for investment). This discussion does not address all aspects of United States federal income taxation that may be applicable to holders in light of their particular circumstances (such as the effects of Section 451(b) of the Code) or to holders subject to special treatment under United States federal income tax law, such as banks or other financial institutions, tax-exempt entities, insurance companies, brokers or dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, U.S. holders (as defined herein) liable for alternative minimum tax, certain U.S. expatriates and former citizens or former long-term residents of the United States, entities or arrangements classified as partnerships for United States federal income tax purposes or other pass-through entities such as subchapter S corporations (or investors in such entities), regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies or corporations that accumulate earnings to avoid United States federal income tax, tax-exempt organisations or governmental organisations, qualified foreign pension funds (as defined in Section 897(l)(2) of the Code) and entities all of the interests of which are held by qualified foreign pension funds, non-U.S. holders that acquired New Bally's Shares through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan, or holders that will hold New Bally's Shares as part of a straddle, hedging, constructive sales, conversion or other integrated transaction.

Furthermore, this discussion does not address any other United States federal tax consequences (e.g., estate or gift tax or the Medicare tax on net investment income) or any state, local or foreign tax laws. This discussion also does not address tax consequences to U.S. holders whose "functional currency" is not the U.S. dollar. This discussion is not intended to constitute a complete analysis of all tax consequences of the ownership and disposition of New Bally's Shares. Holders are urged to consult their tax advisors regarding the United States federal, state, local and foreign income and other tax consequences to them in their particular circumstances.

There can be no assurance that the IRS will not challenge one or more of the tax consequences described herein (or that a court will not sustain any such challenge), and we have not obtained, nor do we intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the United States federal income tax consequences to a holder of the ownership or disposition of New Bally's Shares.

EACH U.S. HOLDER AND NON-U.S. HOLDER IS URGED TO CONSULT ITS TAX ADVISOR REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL, AND NON-UNITED STATES INCOME AND OTHER TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF NEW BALLY'S SHARES.

For purposes of this discussion, the term "**U.S. holder**" means a beneficial owner of New Bally's Shares that is, for United States federal income tax purposes: (i) an individual that is a citizen or resident of the United States; (ii) a corporation, or other business entity treated as a corporation, created or organised in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income

of which is subject to United States federal income taxation regardless of its source; or (iv) a trust if (A) a court within the United States is able to exercise primary control over its administration and one or more United States persons, within the meaning of the Section 7701(a)(30) of the Code, have the authority to control all substantial decisions of such trust or (B) the trust has made an election under the applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, the term “**non-U.S. holder**” means a beneficial owner of New Bally’s Shares that is not an entity or arrangement treated as a partnership for United States federal income tax purposes and is not a U.S. holder.

The United States federal income tax treatment of a partner in an entity or other arrangement treated as a partnership for United States federal income tax purposes that will hold or beneficially own New Bally’s Shares will depend on the status of the partner and the activities of the partnership. Partners in a partnership that will hold or beneficially own New Bally’s Shares should consult their own tax advisors.

Consequences to U.S. holders of New Bally’s Shares

Disposition of New Bally’s Shares by U.S. holders

A U.S. holder will generally recognise capital gain or loss for United States federal income tax purposes upon the disposition of New Bally’s Shares in an amount equal to the difference between the amount of cash and the fair market value of any property received upon such disposition and the U.S. holder’s adjusted tax basis in its New Bally’s Shares. The U.S. holder’s adjusted tax basis will generally be the fair market value of the New Bally’s Shares at the time they are received by the U.S. holder pursuant to the Offer. Gain or loss recognised on the disposition of New Bally’s Shares will generally be long-term capital gain or loss if the shares were held for more than one year. The deductibility of capital losses is subject to limitations.

Distributions on New Bally’s Shares held by U.S. holders

Distributions with respect to New Bally’s Shares will generally be included in a U.S. holder’s gross income as ordinary dividend income to the extent of the U.S. holder’s share of the current or accumulated earnings and profits of Bally’s, as determined for United States federal income tax purposes. To the extent a distribution exceeds current and accumulated earnings and profits, the distribution will be treated as a non-taxable return of capital to the extent of the U.S. holder’s adjusted basis in the New Bally’s Shares, but not below zero. Any remaining amount will be treated as gain from a sale or exchange of the New Bally’s Shares.

Dividends paid by Bally’s will generally be eligible for the preferential tax rate applicable to “qualified dividend income” of eligible non-corporate U.S. holders provided that the U.S. holder meets certain holding period requirements. Dividends received by corporate U.S. holders with respect to the New Bally’s Shares will be eligible for the dividends-received deduction if the U.S. holder meets certain holding period and other applicable requirements.

Consequences to non-U.S. holders of New Bally’s Shares

Disposition of New Bally’s Shares by non-U.S. holders

Subject to the summary below regarding backup withholding and FATCA, a non-U.S. holder will generally not be subject to United States federal income tax on the disposition of New Bally’s Shares unless:

- the non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year of the exchange or disposition and meets certain other conditions;
- the gain is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States and, in some instances if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States; or
- Bally’s is or has been a “United States real property holding corporation” (a “**USRPHC**”) for United States federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition of New Bally’s Shares and the period that the non-U.S. holder held the New Bally’s Shares and (as long as Bally’s common stock is regularly traded on an established securities market at any time during the calendar year in which the disposition occurs) such non-U.S. holder owns or owned (actually or constructively) more than five percent of Bally’s common stock at any time during the shorter of the two periods mentioned above.

A corporation generally is characterized as a USRPHC if the fair market value of the “United States real property interests” (“**USRPIs**”) owned by the corporation and certain of its subsidiaries equals or exceeds

50% of the sum of the fair market value of (i) the USRPIs owned by the corporation and certain of its subsidiaries, (ii) interests in real property located outside of the United States owned by the corporation and certain of its subsidiaries and (iii) other assets used or held for use by the corporation and certain of its subsidiaries in a trade or business. USRPIs generally include any interest (other than an interest solely as a creditor) in real property located in the United States or the U.S. Virgin Islands and in other USRPHCs. Real property generally includes land and unsevered natural products of the land, improvements on land and personal property associated with the use of real property within the meaning of applicable Treasury Regulations. Although there can be no assurances, Bally's believes it is not, and it does not currently anticipate becoming, a USRPHC. Because the determination of whether Bally's is a USRPHC depends on the fair market value of Bally's U.S. real property relative to the fair market value of other business assets, there can be no assurance that Bally's is not currently or will not become a USRPHC in the future. However, so long as Bally's common stock is regularly traded on an established securities market (such as the NYSE), gain from the disposition of New Bally's Shares by a non-U.S. holder that owns, actually or constructively, five percent or less of Bally's common stock throughout the shorter of the two periods mentioned above would not be subject to United States federal income tax as a result of Bally's status as a USRPHC.

A non-U.S. holder described in the first bullet point above will be subject to United States federal income tax on the non-U.S. holder's gains at a flat rate of 30 percent (or a lower applicable income tax treaty rate), which may be offset by U.S. source capital losses during the taxable year of the disposition, provided that the non-U.S. holder has timely filed United States federal income tax returns with respect to such losses.

If the second or third bullet points above apply, a non-U.S. holder will be subject to United States federal income tax on the gain recognized on the disposition of New Bally's Shares in the same manner in which a U.S. Holder would be subject to United States federal income tax (or at a lower rate if an applicable income treaty so provides). Additionally, a non-U.S. holder that is a corporation may also be subject to a 30 percent branch profits tax on any gains described in the second bullet point unless reduced by treaty. Although a 15 percent withholding tax generally applies to gross proceeds from the sale or other taxable disposition of the stock of a USRPHC, the 15 percent withholding tax on gross proceeds will generally not apply to the disposition of New Bally's Shares so long as Bally's common stock is regularly traded on an established securities market (such as the NYSE).

Distributions on New Bally's Shares to non-U.S. holders

Distributions on New Bally's Shares to non-U.S. holders will generally constitute dividends for United States federal income tax purposes to the extent paid from Bally's current or accumulated earnings and profits, as determined under United States federal income tax principles, and will be subject to withholding as described below. If a distribution exceeds the Corporation's current and accumulated earnings and profits as determined under United States federal income tax principles, the excess will be treated first as a tax-free return of a non-U.S. holder's adjusted tax basis in the New Bally's Shares and thereafter as gain from the sale or exchange of such shares, subject to the tax treatment described above in "*Disposition of New Bally's Shares by non-U.S. holders.*"

Subject to the summary below regarding backup withholding and FATCA, the gross amount of dividends paid to a non-U.S. holder of New Bally's Shares that are not effectively connected with the non-U.S. holder's conduct of a trade or business in the United States ordinarily will be subject to withholding of United States federal income tax at a rate of 30 percent, or at a lower rate if an applicable income tax treaty so provides and an applicable withholding agent has received proper certification as to the application of that treaty. Such withholding tax may be imposed on the gross amount of the distribution, due to the difficulty of determining whether Bally's has sufficient earnings and profits to cause the distribution to be a dividend for United States federal income tax purposes.

A non-U.S. holder that conducts a trade or business within the United States will generally be subject to United States federal income tax at ordinary United States federal income tax rates (on a net income basis) on dividends that are effectively connected with the conduct of such trade or business and, if certain tax treaties apply, that are attributable to such holder's permanent establishment or fixed base in the United States, and such dividends will not be subject to the withholding described above, provided that the non-U.S. holder establishes an exemption from such withholding by complying with certain certification and disclosure requirements (generally by providing a duly completed and executed IRS Form W-8ECI (or appropriate successor form)). Corporate non-U.S. holders may also be subject to a 30 percent "branch profits tax" unless such holders qualify for a lower rate under an applicable treaty.

Generally, to claim the benefit of any applicable treaty or an exemption from withholding because the income is effectively connected with the conduct of a trade or business in the United States, a non-U.S. holder must provide, before the distributions are made, a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or appropriate successor form) for treaty benefits, certifying under penalties of perjury that such holder is not a United States person and is eligible for such benefits, or IRS Form W-8ECI for effectively connected income (or such successor form). These forms must be periodically updated. If a non-U.S. holder holds New Bally's Shares through certain foreign intermediaries, it will be required to satisfy the relevant certification requirements of applicable Treasury Regulations. Non-U.S. holders 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 benefits under an applicable income tax treaty and the specific manner of claiming the benefits of the treaty.

Information reporting and backup withholding

In general, information reporting requirements apply to distributions paid to holders on the New Bally's Shares and the tax, if any, withheld with respect to those distributions. Information reporting also is generally required with respect to the proceeds from sales and other dispositions of New Bally's Shares to or through the U.S. office (and, in certain cases, the foreign office) of a broker, unless the holder is an exempt recipient (such as a corporation or non-United States person) and complies with applicable certification procedures to establish its status as an exempt person (for example, by providing an IRS Form W-9 establishing that the holder is a corporation or an appropriate IRS Form W-8 establishing that the holder is a non-United States person) and the applicable withholding agent does not have actual knowledge or reason to know the holder is not an exempt person. Copies of the information returns filed with the IRS may be made available to the tax authorities in the country in which a non-U.S. holder is a resident under the provisions of an applicable income tax treaty or agreement. Backup withholding (currently at a rate of 24 percent) may be imposed on the above payments unless (i) a holder certifies under penalty of perjury that it is not a United States (and the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person) or otherwise establishes that it is exempt from backup withholding or (ii) the holder provides a correct taxpayer identification number and makes appropriate certifications.

Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules will be allowed as a credit against the holder's applicable United States federal income tax liability and may entitle such the holder to a refund, provided that the required information is furnished to the IRS by the holder in a timely manner. Holders should consult their tax advisors regarding the information reporting and backup withholding rules, the availability of an exemption from backup withholding, and the procedure for obtaining such an exemption, if applicable.

FATCA

Under Sections 1471 through 1474 of the Code and the Treasury Regulations and administrative guidance issued thereunder ("FATCA"), a 30 percent withholding tax may be imposed on (1) dividends paid on the New Bally's Shares and (2) subject to the proposed regulations described below, gross proceeds from the sale or other disposition of the New Bally's Shares, in each case, paid to a "foreign financial institution" or a "non-financial foreign entity" unless (a) the non-financial foreign entity provides the applicable payor or financial institution with certain documentation and identifying information relating to its substantial U.S. owners or otherwise certifies that it does not have any substantial U.S. owners, (b) the foreign financial institution enters into an agreement with the Department of Treasury to, among other things, report certain information regarding its accounts with or interests held by certain United States persons and by certain non-U.S. entities that are wholly or partially owned by United States persons, and it establishes its compliance with these rules by providing the applicable payor or financial institution with an IRS Form W-8BEN, IRS Form W-8BEN-E or other applicable IRS Form W-8 (or such successor form as the IRS designates) or (c) the foreign financial institution or the non-financial foreign entity qualifies for an exemption from these rules and establishes such exemption by providing the applicable payor or financial institution with an IRS Form W-8BEN, IRS Form W-8BEN-E or other applicable IRS Form W-8 (or such successor form as the IRS designates). The rules relating to FATCA described above may be modified by an applicable intergovernmental agreement between the United States and the jurisdiction in which a holder is resident.

The IRS issued proposed Treasury Regulations that eliminate withholding on payments of gross proceeds. Pursuant to the proposed Treasury Regulations, a withholding agent may (but is not required to) rely on this

proposed change to FATCA withholding until the final regulations are issued or the proposed regulations are withdrawn.

Bally's will not pay any additional amounts to non-U.S. holders in respect of any amounts withheld, including pursuant to FATCA. Non-U.S. holders are urged to consult their tax advisors regarding how FATCA may apply to the ownership and disposition of the New Bally's Shares.

The preceding discussion is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the ownership and disposition of the New Bally's Shares, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws and the effect of any proposed changes in the tax laws."

PART XX

ADDITIONAL INFORMATION

1. RESPONSIBILITY

Bally's, the Bally's Directors, and the Proposed Bally's Directors, whose names appear on pages 94 and 95 of this Prospectus in Part X ("*Bally's Directors, Proposed Bally's Directors Corporation Officers and Corporate Governance*"), accept responsibility for the information contained in this Prospectus. To the best of the knowledge of Bally's, the Bally's Directors and the Proposed Bally's Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

2. INCORPORATION

- 2.1 The Corporation was incorporated in 2004 as BLB Worldwide Holdings, Inc. in Delaware. In 2011, BLB Worldwide Holdings, Inc. changed its corporate name to Twin River Worldwide Holdings Inc. In 2020, it changed its name to Bally's Corporation.
- 2.2 The Corporation is currently domiciled in Delaware and has its registered office and principal place of business at 100 Westminster Street, Providence, Rhode Island 02903. The telephone number is (401) 475-8474.
- 2.3 The principal legislation under which the Corporation operates, under which the Bally's Shares were issued, and under which the New Bally's Shares will be issued, is the Delaware General Corporation Law.
- 2.4 The Bally's Corporation audit for each of the financial years ended 31 December 2020, 2019 and 2018 has been performed by Deloitte & Touche, LLP, which is registered with the Public Corporation Accounting Oversight Board (United States).

3. SHARE CAPITAL

- 3.1 As at 31 March 2021, the total number of shares into which the Corporation's authorised capital stock is divided into 31,894,222 shares of common stock with par value of \$0.01 per share (the "**Bally's Shares**"). Following the completion of the Equity Offering and other issuances of Bally's Shares since 31 March 2021, Bally's has 44,544,289 shares of common stock outstanding as of 28 May 2021, which does not include:
 - (A) any shares (or warrants) that may be issued under the GLPI Commitment Letter, under which GLPI has irrevocably committed to purchase Bally's Shares, or, subject to U.S. regulatory requirements, warrants, with a value of up to \$500.0 million, at a price per share based on volume-weighted average price determined over a period of time prior to such issuance;
 - (B) any shares that may be issued to Gamesys shareholders in the Combination;
 - (C) 60,000 shares of common stock issuable upon the exercise of outstanding stock options as of 28 May 2021, at a weighted-average exercise price of \$4.31 per share;
 - (D) 925,865 shares of common stock underlying outstanding restricted stock units and other equity awards reserved for future issuance under existing compensation plans;
 - (E) 3,757,534 shares of common stock available to be granted under our existing equity plans as of 28 May 2021;
 - (F) up to 12,830,730 shares of common stock that may become issuable upon exercise of option and warrants issued in connection with the Corporation's strategic partnership with Sinclair;
 - (G) up to 812,161 shares of common stock that may become issuable upon exercise of penny warrants issued in connection with the Corporation's acquisition of Monkey Knife Fight; and
 - (H) up to 217,857 shares of common stock that may be issuable to SportCaller selling stockholders in connection with achievement of certain post-closing performance targets in connection with the Corporation's acquisition of SportCaller.
- 3.2 As at 31 March 2021, the Corporation has issued to Sinclair Broadcast Group, Inc. ("**Sinclair**")
 - (i) an immediately exercisable warrant to purchase up to 4,915,726 shares of the Corporation at an exercise price of \$0.01 per share (the "**Penny Warrants**"),
 - (ii) a warrant to purchase up to a

maximum of 3,279,337 additional shares of the Corporation at a price of \$0.01 per share subject to the achievement of various performance metrics (the “**Performance Warrants**”), and (iii) an option to purchase up to 1,639,669 additional shares in four tranches with purchase prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning on the fourth anniversary of the 18 November 2020 closing (the “**Options**”). The exercise and purchase prices and the number of shares issuable upon exercise of the warrants and options are subject to customary anti-dilution adjustments. In addition, on 20 April 2021, Bally’s issued to Sinclair a warrant to purchase 909,090 common shares at an exercise price of \$0.01 per share and exchanged 2,086,908 common shares owned by Sinclair for substantially identical warrants.

- 3.3 The number of Bally’s Shares authorised, held in treasury and issued, and outstanding as at 31 March 2021, and 31 December 2020, 2019 and 2018 is as follows:

	<u>Authorised</u>	<u>Held in treasury</u>	<u>Issued and outstanding</u>	<u>Total</u>
31 March 2021	100,000,000	133	31,894,089	31,894,222
31 December 2020 ...	100,000,000	—	30,685,938	30,685,938
31 December 2019 ...	100,000,000	9,079,690	32,113,328	41,193,018
31 December 2018 ...	100,000,000	1,431,980	37,989,376	39,421,356

- 3.4 Up to 38,419,106 New Bally’s Shares may be issued to Gamesys Shareholders upon the Scheme becoming effective.

- 3.5 Save as disclosed in this Prospectus:

- (A) no share or loan capital of the Corporation or any of its subsidiaries has, within the period covered by the historical financial information set out in this Prospectus (other than intra-group issues by wholly owned subsidiaries or pursuant to the Combination) been issued or been agreed to be issued fully or partly paid, either for cash or for a consideration other than cash, and no such issue is proposed;
- (B) no commissions, discounts, brokerages or other special terms have been granted by the Corporation or any of its subsidiaries within the period covered by the historical financial information set out in this Prospectus in connection with the issue or sale of any share or loan capital of any such company;
- (C) no share or loan capital of the Corporation or any of its subsidiaries is under option or agreed, conditionally or unconditionally, to be put under option; and
- (D) no convertible securities, exchangeable securities or securities with warrants have been issued or agreed to be issued by the Corporation.

- 3.6 The rights attaching to the Bally’s Shares are summarised in paragraph 4 (“**Summary of Certificate of Incorporation, Bylaws and Related Legal Provisions**”) of this Part XX (“**Additional Information**”).

- 3.7 Save as set out in Part X (“**Bally’s Directors, Proposed Bally’s Directors, Corporation Officers and Corporate Governance – Limitation on Financial Interest**”), neither the Corporation’s certificate of Incorporation nor the Bylaws contain any restrictions on the transfer of Bally’s Shares or New Bally’s Shares. New Bally’s Shares have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

- 3.8 The Bally’s Shares are in registered, book-entry form. American Stock Transfer & Trust Corporation, LLC (AST), of 6201 15th Avenue, Brooklyn, New York 11219 is responsible for keeping the Corporation’s stock transfer records.

- 3.9 When admitted to trading on the New York Stock Exchange, the New Bally’s Shares will be registered with ISIN US05875B1061 and ticker symbol “BALY”.

4. SUMMARY OF CERTIFICATE OF INCORPORATION, BYLAWS AND RELATED LEGAL PROVISIONS

The following is a brief summary of certain material provisions of Bally's Certificate of Incorporation and the Bylaws each as they are expected to be in effect upon the closing of the Combination. This section should be read in conjunction with paragraph 3 ("*Share capital*") of this Part XX ("*Additional Information*").

Objects

- 4.1 Bally's purpose, as stated in the Certificate of Incorporation, is to engage in the transaction of any or all lawful business which may be conducted, or for which corporations may be incorporated, under the DGCL.

Power of Directors

- 4.2 Bally's business is controlled and managed by, or under the direction of, the Bally's Board in accordance with the DCGL, the Certificate of Incorporation and the Bylaws. The Bally's Board may exercise all powers of the Corporation have such authority and do all such lawful acts and things as are permitted by law, Bally's Certificate of Incorporation or the Bylaws.

Number, appointment and term of directors

- 4.3 The Bally's Board consists of no fewer than three members and no more than seven members. The exact number of Bally's Directors shall be fixed from time to time by the Bally's Board pursuant to a resolution adopted by the majority of the whole Bally's Board. Members of the Bally's Board shall be divided into three classes, with the term of office of one class expiring each year.
- 4.4 One class of directors shall be elected at each annual meeting of the Bally's Shareholders, or at a special meeting in lieu of the annual meeting called for such purpose by the vote of the plurality of the votes cast at any meeting for the election of directors at which a quorum is present, and each director elected shall hold office for a three-year term until the next applicable election or until his successor is duly elected and qualified.
- 4.5 Only persons who are nominated in accordance with the following procedures shall be eligible for election as members of the Bally's Board. Nominations of persons for election to the Bally's Board may be made at any annual meeting of Bally's Shareholders, or at any special meeting of stockholders called for the purpose of electing Directors:
- (A) by or at the direction of the Bally's Board (or any duly authorised committee thereof); or
 - (B) by any stockholder of the Corporation who is a stockholder of record on the date of the giving of a timely notice in the form prescribed by the Bylaws, and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting.
- 4.6 In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

Directors' quorum and voting

- 4.7 At all meetings of the Bally's Board, a majority of the total number of directors shall be present to constitute a quorum for the transaction of business. A director interested in a contract or transaction may be counted in determining the presence of a quorum at a meeting of the Bally's Board which authorises the contract or transaction. In the absence of a quorum, a majority of the directors present may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present.
- 4.8 Members of the Bally's Board or any committee designated by the Bally's Board may participate in a meeting of the Bally's Board or such committee by means of a conference telephone or similar communications equipment such that all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.
- 4.9 The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Bally's Board unless the Certificate of Incorporation, the Bylaws or applicable law shall require a vote of a greater number.

Directors' action without meeting

- 4.10 Any action required or permitted to be taken at any meeting of the Bally's Board or of any committee thereof may be taken without a meeting if all of the members of the Bally's Board or of such committee consent thereto in writing or by electronic transmission, as the case may be, and such written consent is filed with the minutes of proceedings of the Bally's Board or such committee.

Directors' compensation

- 4.11 Each director shall be entitled to receive for compensation in such amounts and form, including equity-linked compensation, as shall be fixed from time to time by the Bally's Board and in connection therewith shall be reimbursed by the Corporation for all reasonable third-party costs and expenses related to service as a director. The compensation to Directors may be fixed in unequal amounts among them, taking into account their respective relationships to the Corporation in other capacities. These provisions shall not be construed to preclude any Director from receiving compensation in serving the Corporation in any other capacity.

Indemnification of Directors

- 4.12 The Corporation shall indemnify any member of the Bally's Board or executive officer (as such term is defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the Corporation, and certain other individuals acting on behalf of the Corporation who was or is a party or is threatened to be made a party to, or testifies in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative in nature, by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, employee benefit plan, trust or other enterprise, if such person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful, to the fullest extent permitted by law as the same exists or may hereafter be amended. The Corporation shall indemnify any such person in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorised by the Bally's Board.
- 4.13 The Corporation may enter into agreements with any such person for the purpose of providing for such indemnification. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was lawful.
- 4.14 Any indemnification under the Bylaws (unless ordered by a court) shall be made by the Corporation only as authorised in the specific case upon a determination that indemnification of the relevant director, executive officer, employee or agent of the Corporation is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 4.12 and 4.13 above. Such determination shall be made (a) by the majority vote of Bally's Board who were not parties to such action, suit or proceeding (even if such majority vote constitutes less than a quorum), or (b) if the majority vote of the Bally's Board who were not parties to such action, suit or proceeding so directs (even if such majority vote constitutes less than a quorum), by independent legal counsel in a written opinion.
- 4.15 To the extent, however, that a member of the Bally's Board, an executive officer, employee or agent of the Corporation has been successful on the merits or otherwise in defence of any action, suit or proceeding described in paragraphs 4.12 and 4.13 above or in defence of any claim, issue or matter therein, such person shall, in the case of a member of the Bally's Board or an executive officer of the Corporation) and may (in the case of an employee or agent of the Corporation who is not a member of the Bally's Board or an executive officer of the Corporation) be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorisation in the specific case.

Eligibility and qualifications

- 4.16 Members of the Bally's Board must be natural persons but need not be Bally's Shareholders. No person may serve as a member of the Bally's Board or the boards of any of its subsidiaries, or be elected or nominated for election to the Bally's Board or the boards any of the Corporation's subsidiaries, unless at the time of such service, election or nomination such person has been licenced to serve as a member of the Bally's Board or the boards of such subsidiaries, as applicable, by the regulatory authorities, the approval of which is required for such service by applicable law (collectively, the "**Regulatory Authorities**"), and any person elected to serve as a member of the Bally's Board or the boards of the Corporation's subsidiaries shall be deemed without further action to have submitted his or her resignation effective at such as time as he or she is no longer licenced to so serve by the Regulatory Authorities.

Filling of vacancies

- 4.17 Vacancies in the Bally's Board resulting from any increase in the authorised number of Directors shall be filled by a majority of the Directors then in office, though less than a quorum, or by a sole remaining Director.
- 4.18 If one or more Directors shall resign (or are removed) from the Bally's Board effective at a future date, a majority of the Directors then in office, but not including those who have so resigned (or are removed) at a future date, shall designate another individual to fill such vacancy. Each Director chosen to fill a vacancy on the Bally's Board (including resulting from any increase in the authorised number of Directors) shall hold office until the next election of the class to which the Director has been assigned. All Directors shall continue in office until the election and qualification of their respective successors in office. When the number of Directors is changed, any newly created directorships or any decrease in directorships shall be so assigned among the classes of Directors by a majority of the directors then in office, though less than a quorum, as to make all such classes as nearly equal in number as possible. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

Resignation and Removal

- 4.19 Any member of the Bally's Board may resign at any time upon written notice to the Bally's Board, the Chairman of the Board, the Chief Executive Officer or the Secretary. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any director or the entire Bally's Board may be removed for cause by the holders of a majority of the shares then entitled to vote at an election of Directors.

Meetings of the board of directors and committees

- 4.20 Notice of any meeting of the Bally's Board shall be deemed to be duly given to a Director (A) if mailed and addressed to such Director at the address as it appears upon the books of the Corporation, or at the address last made known in writing to the Corporation by such Director as the address to which such notices are to be sent, at least five days before the day on which such meeting is to be held, if sent by U.S. mail or at least two days before the day on which the meeting is to be held, if sent by overnight courier, (B) if sent to such Director at such address by e-mail or facsimile not later than 24 hours before the time when such meeting is to be held, or (C) if delivered to such Director personally or orally, by telephone or otherwise, not later than 24 hours before the time when such meeting is to be held. Each such notice shall state the time and place of the meeting and the purposes thereof.
- 4.21 An annual meeting of the Bally's Board shall be called and held for the purpose of organisation, election of officers and transaction of any other business. If such meeting is held promptly after and at the place specified for the annual meeting of stockholders, no notice of the annual meeting of the Bally's Board need be given. Otherwise, such annual meeting shall be held at such time (not more than 30 days after the annual meeting of stockholders) and place as may be specified in a notice of the meeting.

- 4.22 Regular meetings of the Bally's Board shall be held at the time and place, within or outside the State of Delaware, as shall from time to time be determined by the Bally's Board. After there has been such determination and notice thereof has been given to each member of the Bally's Board, no further notice shall be required for any such regular meeting. Except as otherwise provided by law, any business may be transacted at any regular meeting.

Amendment of Bylaws

- 4.23 The Corporation's Certificate of Incorporation states that the Corporation's Bylaws may be adopted, amended, or repealed by an affirmative vote of a majority of the Bally's Board or a majority of the shares in the Corporation entitled to vote generally in elections of Bally's Directors that are present at a duly called annual or special meeting of stockholders of the Corporation at which a quorum is present, subject to the following exceptions:
- (A) amendment of the following provisions of the Bylaws requires the approval of a majority of all shares of the Corporation entitled to vote generally in elections of Bally's Directors:
 - (1) Section 2.2 (*Special Meetings of Stockholders*), Section 2.7 (*Voting of Stockholders*), Section 3.5 (*Term of Directors*), Section 3.8 (*Quorum and Voting of Directors*), and Section 7.12 (*Amendment of Bylaws*);
 - (B) amendment of the following provisions of the Bylaws requires the approval of (i) a majority of all shares of the Corporation entitled to vote generally in elections of Bally's Directors and (ii) a majority of the Bally's Board:
 - (1) Section 2.6 (*Quorum for Stockholder Meetings*), Section 2.8 (*Action by Consent of Stockholders*), and Section 2.9 (*Nature of Business at Meetings of Stockholders; Notice Procedures*)
 - (C) amendment of the following provisions of the Bylaws requires the approval of (i) a 75% majority of all shares of the Corporation entitled to vote generally in elections of Bally's Directors and (ii) a majority of the Bally's Board:
 - (1) Section 4.04 of the Corporation's Certificate of Incorporation (*Class of Directors*), Section 3.2 (*Number of Directors*), Section 3.4 (*Election of Directors*), Section 3.6 (*Resignation and Removal of Directors*), and Section 3.7 (*Vacancies of the Board*).

Related party business combinations

- 4.24 Section 203 of the DGCL prohibits an interested shareholder of a Delaware corporation (generally defined as a person who owns 15% or more of a corporation's outstanding voting stock) from engaging in a business combination with that corporation for three years following the date such person became an interested shareholder. The three-year moratorium is not applicable when:
- (A) prior to the date that the shareholder became an interested shareholder, the Bally's Board of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;
 - (B) upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, such interested shareholder owned at least 85% of the outstanding voting stock of the corporation (excluding shares owned by directors who are also officers of the corporation and by certain employee stock plans); or
 - (C) on or subsequent to the date that the shareholder becomes an interested shareholder, the business combination is approved by the Bally's Board and by the affirmative vote at a meeting of shareholders of at least two-thirds of the outstanding voting stock entitled to vote thereon, excluding shares owned by the interested shareholder.
- 4.25 These restrictions of the DGCL generally do not apply to business combinations with an interested shareholder that are proposed subsequent to the public announcement of, and prior to the consummation or abandonment of, certain mergers, sales of 50% or more of a corporation's assets or tender offers for 50% or more of a corporation's voting stock.

Exclusive forum

- 4.26 Under the Bylaws, unless the Corporation by action of the Bally's Board consents in writing to an alternative forum, the Court of Chancery in the State of Delaware (or if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Bally's Shareholders, (iii) an action asserting a claim arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or the Bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine.

Allotment of securities

- 4.27 The Corporation shall have the power to create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the Corporation, options, exchange rights, warrants, convertible rights, and similar rights permitting the holders thereof to purchase from the Corporation any shares of its capital stock of any class or classes at the time authorised, such options, exchange rights, warrants, convertible rights and similar rights to have such terms and conditions, and to be evidenced by or in such instrument or instruments, consistent with the Certificate of Incorporation and as shall be approved by the Bally's Board.

Pre-emptive rights

- 4.28 No pre-emptive rights attach to the Bally's Shares.

Conversion and Redemption Rights

- 4.29 The Bally's Shares are not convertible or redeemable.

Transfer and Acquisition restrictions

- 4.30 The Corporation shall not permit any person or entities to acquire a direct or indirect equity or economic interest in it equal to or greater than 5% of any class of equity or economic interests without the approval of the relevant gaming authorities (subject to certain specified exceptions). Any transfer or acquisition of Bally's Shares that results in a person acquiring more than such 5% threshold shall be null and void and will not be recognised until the relevant gaming authorities have consented to such transfer or acquisition.
- 4.31 Bally's Certificate of Incorporation also provides that an additional licence or consent from the gaming authorities is required for ownership equal to or greater than 20% of any class of Bally's equity interests.
- 4.32 In addition, Bally's Bylaws also include limitations and restrictions on ownership of common stock relating to regulatory requirements and licences, including restrictions on transfers or acquisitions that would violate applicable gaming laws and repurchase rights in the event that stockholders are determined to be unsuitable to hold Bally's Shares. Bally's Bylaws impose additional restrictions to ensure compliance with relevant gaming and regulatory requirements including its ability to withhold dividend payments and redeem or purchase a holder's common stock if a gaming authority or the Bally's Board determines the holder to be an "unsuitable person" as defined in certain gaming laws. Finally, Bally's Bylaws incorporate by reference certain provisions of relevant state gaming laws.
- 4.33 Any transfer of Bally's Shares that would be a breach of applicable securities laws is prohibited.

Rights attaching to the Bally's Shares

Voting rights

- 4.34 Each holder of Bally's Shares shall be entitled to one vote in person or by proxy for each Bally's Share held of record by such holder on all matters on which shareholders generally are entitled to vote, whether voting separately as a class or otherwise. The holders of Bally's Shares shall vote together as a single class on all matters. The holders of the Bally's Shares do not have pre-emption rights in respect of the Bally's Shares.

Dividends and reserves

- 4.35 The holders of the Bally's Shares shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Corporation as may be declared thereon by the directors from time to time out of assets or funds of the Corporation legally available for such purposes.

Dissolution and winding up

- 4.36 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of all outstanding Bally's Shares shall be entitled to receive the remaining assets of the Corporation available for distribution rateably in proportion to the number of the Bally's Shares held by each such holder.

Shareholders' meetings

Notice

- 4.37 Written notice of each annual and special meeting of Bally's Shareholders, other than any meeting the giving of notice of which is otherwise prescribed by law, stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed, in writing, at least 10 but not more than 60 days before the date of such meeting, to each Bally's Shareholder entitled to vote at such meeting.

Annual meetings

- 4.38 The annual meeting of the Corporation for the election of directors and for the transaction of other business shall be held at the registered office of the Corporation, or at such other place within or outside Delaware as the Bally's Board may fix by resolution or as set forth in notice of the meeting.

Special meetings

- 4.39 Special meetings of the Bally's Shareholders, unless otherwise prescribed by law, may only be called by the Chairman of the Bally's Board, by order of a majority of the whole Bally's Board or by holders of Bally's Shares who hold at least 20% of the outstanding common stock entitled to vote generally in the election of directors.

Quorum; voting in general

- 4.40 Quorum for any shareholder meeting of the Corporation shall consist of the holders of record of at least one-third of the outstanding shares of capital stock entitled to vote or act at such meeting shall be present or represented by proxy in order to constitute a quorum for the transaction of any business, but less than a quorum shall have power to adjourn any meeting until a quorum shall be present. Shares of capital stock owned by the Corporation or by another corporation, if a majority of the shares of such other corporation entitled to vote in the election of directors is held by the Corporation, shall not be counted for quorum purposes or entitled to vote. Notwithstanding the foregoing, when specified business is to be voted on by a class or series voting separately as a class or series, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum for the transaction of such business for the purposes of taking action on such business.

Shareholder proposals

- 4.41 In addition to any other applicable requirements, for business to be properly brought before any meeting of stockholders by a holder of Bally's Shares, such holder must have given timely notice thereof in proper written form to the secretary in the time frame set out in the Bylaws. To be in proper written form, such notice to the secretary must set forth as to each matter such stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and record address of such stockholder, (c) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (d) a description of all arrangements or understandings between such holder of Bally's Shares and any other person or persons (including their names) in connection with the proposal of such business by such holder and any material interest of such holder in such business, and (e) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting.

- 4.42 Unless otherwise required by law, if the stockholder (or a qualified representative thereof) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. To be considered a qualified representative of the stockholder, a person must be a duly authorised officer, manager or partner of such stockholder or must be authorised by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Shareholder action without a meeting

- 4.43 Any action required or permitted to be taken at any meeting of Bally's Shareholders may be taken without a meeting, without prior notice and without a vote, if, prior to such action, a written consent or consents thereto, setting forth such action, is signed by the holders of record of Bally's Shareholders issued and outstanding and entitled to vote thereon, having not less than the minimum number of votes that would be necessary to authorise or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Preferred Stock

- 4.44 The Corporation may issue preferred stock (the "**Preferred Stock**") in one or more series. The Bally's Board is authorised without any further vote or action by stockholders, to authorise the Corporation to designate and issue the Preferred Stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, option or other rights, if any, and the qualifications, limitations or restrictions of such series. The authority of the Bally's Board with respect to each such series will include, without limitation, the determination of any or all of the following:

- (A) the number of shares of any series and the designation to distinguish the shares of such series from the shares of all other series;
- (B) the voting powers, if any, and whether such voting powers are full or limited in such series;
- (C) the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid;
- (D) whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates, conditions and preferences of dividends on such series;
- (E) the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;
- (F) the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or any other series of the same or any other class or classes of shares of the Corporation, at such price or prices or at such rate or rates of exchange and with such adjustments applicable thereto;
- (G) the right, if any, to subscribe for or to purchase any securities of the Corporation;
- (H) the provisions, if any, of a sinking fund applicable to such series; and
- (I) any other designations, powers, preferences, and relative, participating, optional or other special rights, and qualifications, limitations, or restrictions thereof, all as may be determined from time to time by the Bally's Board and stated or expressed in the resolution or resolutions providing for the issuance of such Preferred Stock.

Change of control/ Major shareholding and disclosure of interests

- 4.45 See paragraph 4.31 above and Part X ("**Bally's Directors, Proposed Bally's Directors, Corporation Officers and Corporate Governance**").

5. BALLY’S DIRECTORS, PROPOSED BALLY’S DIRECTORS AND CORPORATION OFFICERS

- 5.1 The Bally’s Directors and their functions within the Corporation and brief biographies are set out in Part X (“*Bally’s Directors, Proposed Bally’s Directors, Corporation Officers and Corporate Governance*”).
- 5.2 The business address of each of the Bally’s Directors is 100 Westminster Street, Providence, Rhode Island, 02903, United States.
- 5.3 In addition to their directorships of Bally’s and other members of the Bally’s Group, the Bally’s Directors, the Corporation Officers, and the Proposed Bally’s Directors hold or have held the following directorships and are or were members of the following partnerships, within the past five years:

Bally’s Directors and Corporation Officers

Name	Current directorships/partnerships	Previous directorships/partnerships
Soohyung Kim ¹³	Bally’s Corporation Standard General L.P. Standard General Holdings L.P. Coalition of Queens Cary Institute of Ecosystem Studies	Greektown Superholdings Media General Inc. ALST Casino Holdco, LLC General Wireless Operations, Inc
George T. Papanier.....	Bally’s Corporation	Twin River Management Group, Inc.
Terrence Downey.....	Bally’s Corporation	Aliante Gaming LLC
Jaymin B. Patel	Bally’s Corporation Clarim Acquisition Corp. Cloud Agronomics Inc Willis Tower Watson plc Rip Van Inc. Grow Materials LLC Community College of Rhode Island	Brightstar Corporation
Jeffrey W. Rollins.....	Bally’s Corporation Market Grove Partners Dover Motorsports, Inc. Osprey Investment Partners L.P.	Dover Downs, Inc. C2 Partners, Inc.
Wanda Y. Wilson.....	Bally’s Corporation	—
Stephen H. Capp	—	Bally’s Corporation
Marc A. Crisafulli	—	Big Sister Association of Greater Boston, Inc.

¹³ Mr. Kim was an officer and director of General Wireless Operations Inc. and certain affiliates within two years of its bankruptcy filing.

Proposed Bally's Directors

Name	Current directorships/partnerships	Previous directorships/partnerships
Lee Fenton.....	Gamesys Group plc Gamesys Group (Holdings) Limited Mice and Dice Limited Gamesys Jersey Limited Gamesys Limited Patella Investments Limited	Bagelcode UK Limited (formerly Circuscode Limited and Gamesys Social Games Limited) Livescore Group Limited (formerly Livescore Sports & Media Limited) Roxor Gaming Limited (formerly Rabbitfoot Games (UK) Limited) Livescore SRO
Robeson Reeves	Gamesys Group plc Gamesys Group (Holdings) Limited Mice and Dice Limited Gamesys Jersey Limited Gamesys Limited	Livescore Group Limited (formerly Livescore Sports & Media Limited) Roxor Gaming Limited (formerly Rabbitfoot Games (UK) Limited)
Jim Ryan.....	Gamesys Group plc The Intertain Group Limited Fralis International LLC Gaming Realms plc Pala Interactive Canada Limited Pala Interactive LLC	Bragg Gaming Group Inc Duke Royalty Limited

- 5.4 Save as set out above, none of the Bally's Directors, the Proposed Bally's Directors, or the Secretary has any business interests, or performs any activities, outside the Bally's Group or the Gamesys Group (as applicable) which are significant with respect to the Bally's Group or the Gamesys Group (as applicable). There are no family relationships between any of the Bally's Directors and/or the Proposed Bally's Directors.
- 5.5 As at the date of this Prospectus, and save as disclosed in this paragraph 5, none of the Bally's Directors nor any of the Proposed Bally's Directors has, at any time within the last five years:
- (A) had any prior convictions in relation to fraudulent offences;
 - (B) been declared bankrupt or been the subject of any individual voluntary arrangement;
 - (C) been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager;
 - (D) been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies);
 - (E) been disqualified by a court from acting in the management or conduct of the affairs of any company;
 - (F) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company;
 - (G) been a partner or senior manager in a partnership which, while he or she was a partner or within 12 months of his ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;
 - (H) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he or she was a partner at the time or within the 12 months preceding such event; or
 - (I) been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors

generally or any class of creditors, at any time during which he or she was an executive director or senior manager of that company or within 12 months of his or her ceasing to be an executive director or senior manager.

6. DIRECTORS' AND CORPORATION OFFICERS' INTERESTS IN THE CORPORATION

6.1 The table below sets out the interests of the Bally's Directors, the Proposed Bally's Directors and Corporation Officers in the share capital of Bally's (in respect of the Bally's Directors) or Gamesys (in respect of the Proposed Bally's Directors) as at the close of business on the Latest Practicable Date and immediately following completion of the Combination.

Bally's Director, Proposed Bally's Director, or Corporation Officer	As at 28 May 2021		Percentage of voting rights in respect of Bally's Shares immediately following the Effective Date ⁽²⁾
	Number of Bally's Shares	Percentage of voting rights in respect of Bally's Shares	
Bally's Director			
Soohyung Kim ⁽¹⁾	10,342,069	23.22%	12.47%
George T. Papanier ⁽³⁾	345,293	<1.0%	<1%
Terrence Downey	15,604	<1.0%	<1%
Jaymin B. Patel	6,787	<1.0%	<1%
Jeffrey W. Rollins ⁽⁴⁾	475,745	1.07%	<1%
Wanda Y. Wilson	15,852	<1.0%	<1%
Bally's Officers			
Stephen H. Capp ⁽⁵⁾	213,682	<1.0%	<1%
Marc Crisafulli	33,267	<1.0%	<1%
Proposed Bally's Director			
Lee Fenton	—	—	<1%
Robeson Reeves	—	—	<1%
James Ryan	—	—	<1%
Total	11,448,299	26%	14.43%

(1) Consists of 10,342,069 common shares of Bally's held by Standard RI Ltd. Standard General L.P. serves as investment manager to Standard RI Ltd and, in that capacity, exercises voting and investment control over the shares held by Standard RI Ltd. Soohyung Kim is the managing partner and chief investment officer of Standard General L.P. Each of Mr. Kim and Standard General L.P. disclaims beneficial ownership of the shares reported except to the extent of its or his pecuniary interest in such shares.

(2) Assumes the issue of 38,419,106 New Bally's Shares.

(3) Consists of 327,293 Bally's Shares held by Mr. Papanier and 18,000 Bally's Shares held in trust.

(4) Consists of 75,745 Bally's Shares held by Mr. Rollins and 400,000 Bally's Shares held by the Rollins Marital Trust.

(5) Consists of 210,682 Bally's Shares held by Mr. Capp and 3,000 Bally's Shares held by Mr. Capp's Spouse.

6.2 As current Bally's Shareholders, the interests of the Bally's Directors together represent approximately 26 per cent. of the issued and outstanding share capital of the Corporation as at 28 May 2021 (being the latest practicable date prior to the date of publication of this Prospectus) and will represent approximately 14.43 per cent. of the issued and outstanding share capital following the Effective Date (based on the assumptions above).

6.3. The Corporation Officers and Bally’s Directors were granted the following options and awards over Bally’s Shares under the employee share plans described in paragraph 9 (“*Share plans*”) of this Part XX (“*Additional Information*”) between 1 January 2020 and 28 May 2021:

Name	Grant Date	Estimated Possible Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Possible Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units	Fair Value of Stock and Option Awards ⁽⁶⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)		
George T. Papanier	2 January 2020	—	—	—	—	—	—	61,117 ⁽³⁾	1,545,038
	10 February 2020	—	—	—	—	20,392	—	—	543,243
	19 January 2021	—	—	—	—	—	—	57,241 ⁽³⁾	2,788,209
	N/A	360,500	721,000	1,442,000	—	—	—	—	—
Stephen H. Capp ...	2 January 2020	—	—	—	—	—	—	71,203 ⁽³⁾	1,800,012
	10 February 2020	—	—	—	—	13,051	—	—	347,679
	23 February 2021	—	—	—	—	—	—	19,011 ⁽³⁾	1,196,742
	N/A	300,000	600,000	1,200,000	—	—	—	—	—
Marc A. Crisafulli .	2 January 2020	—	—	—	—	—	—	65,269 ⁽³⁾	1,650,000
	10 February 2020	—	—	—	—	4,743	—	—	126,354
	5 May 2020	—	—	—	—	10,013	—	—	150,295
	5 May 2020	—	—	—	—	—	—	20,027 ⁽³⁾	300,605
	30 December 2020	—	—	—	—	—	—	109,529 ⁽³⁾	5,274,917
	N/A	275,000	550,000	1,100,000	—	—	—	—	—
Terrence Downey ..	19 May 2020	—	—	—	—	—	—	3,413 ⁽⁴⁾	60,000
	18 May 2021	—	—	—	—	—	—	1,132 ⁽⁴⁾	60,000
Soohyung Kim	—	—	—	—	—	—	—	—	—
Jaymin B. Patel	11 January 2021	—	—	—	—	—	—	5,655 ⁽⁵⁾	280,036
	18 May 2021	—	—	—	—	—	—	1,132 ⁽⁴⁾	60,000
Jeffrey W. Rollins..	19 May 2020	—	—	—	—	—	—	3,413 ⁽⁴⁾	60,000
	18 May 2021	—	—	—	—	—	—	1,132 ⁽⁴⁾	60,000
Wanda Wilson	19 May 2020	—	—	—	—	—	—	3,413 ⁽⁴⁾	60,000
	18 May 2021	—	—	—	—	—	—	1,132 ⁽⁴⁾	60,000

- (1) This column shows the possible payouts to the Corporation Officers under the Corporation’s Annual PFP for the fiscal year ended 31 December 2020 for each of “threshold”, “target” and “maximum” performance. To further align Corporation Officers’ interests with shareholders and to conserve cash in light of the impact of the COVID-19 pandemic, the payouts to the Corporation Officers under the Annual PFP for 2020 were paid in common shares of Bally’s instead of cash. The total amounts awarded for 2020 were as follows: Mr. Papanier was awarded 15,794 shares and Mr. Capp was awarded 13,143 shares, which amounts were equal to approximately 100% of their Annual PFP target amount, adjusted for share price movement on the date of grant.
- (2) The awards granted to Messrs. Papanier, Capp and Crisafulli on 10 February 2020 under the 2015 Plan represent the number of PSUs that could have been earned during the one-year performance period (2020 calendar year) at “target” level of performance. These PSUs were awarded on 2 April 2019. However, because the performance criteria and the target levels applicable to the 2020 PSU award are established in connection with the beginning of each one-year performance period, the amounts shown above only reflect the portion of the award that is attributable to the 2020 performance period and effectively granted during 2020. Only 50% of the numbers reflected above ultimately vested in 2021 with respect to the 2020 performance period for Messrs. Papanier and Capp (10,196 for Mr. Papanier and 6,526 for Mr. Capp), while 100% of the target number of PSUs for Mr. Crisafulli’s February 2020 grant vested (4,743). The PSU award granted to Mr. Crisafulli on 5 May 2020 reflects the portion of the award that could have been earned during the one-year performance period (2020 calendar year). Vesting of these PSUs was linked to Bally’s attaining certain levels of Adjusted EBITDA and achieving certain strategic goals for the year ended 31 December 2020. Mr. Crisafulli earned 100% of the target number of such PSUs for the 2020 calendar year performance period. The PSUs earned by the Corporation Officer are settled in the same number of common shares of Bally’s.
- (3) The awards represent time-based vesting RSUs granted in 2020 and 2021 to the Corporation Officers. The RSU awards to Messrs. Papanier, Capp and Crisafulli on 2 January 2020 will vest in three equal instalments on 15 January 2020, 31 December 2020 and 2 January 2022. The award to Mr. Crisafulli on 5 May 2020 will vest in two equal instalments on 31 December of each of 2020 and 2021. The award to Mr. Crisafulli on 30 December 2020 was a special time-based RSU award in the amount of 109,529 shares that vest ratably on 30 December 2021, 30 December 2022 and 30 December 2023. The grant to Mr. Papanier on 19 January 2021 will vest in three equal installments on 31 December 2021, 2022 and 2023. The grant to Mr. Capp on 23 February 2021 will vest as follows: 6,199 shares on 31 December 2021 and 12,812 shares on 31 December 2022.
- (4) The awards represent restricted stock awards granted to the Bally’s Directors in 2020 and 2021. The restricted stock awards granted on 19 May 2020 to Messrs. Downey and Rollins and Ms. Wilson vested on 18 May 2021, and the restricted stock awards granted on 18 May 2021 to Messrs. Downey, Patel, Rollins and Ms. Wilson will vest on the earlier of 18 May 2022 or the 2022 annual meeting of Bally’s Shareholders.
- (5) The award to Mr. Patel on 11 January 2021 represents 3,636 RSUs which vested immediately upon grant and 2,020 shares of restricted stock which will vest on 11 January 2022.
- (6) Amounts shown in this column reflect the aggregate grant date fair value of RSU and PSU awards determined in accordance with FASB ASC Topic 718.

- 6.4. The following table sets forth certain information concerning common shares of Bally's subject to unvested equity incentive plan awards held as of 28 May 2021 by the Corporation Officers and Bally's Directors. There were no unexercised stock options outstanding as of 28 May 2021.

Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested ⁽¹⁾ (#)	Market Value of Shares or Units of Stock That Have Not Vested ⁽²⁾ (\$)	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:
				Number of Unearned Shares, Units or Other Rights That Have Not Vested ⁽³⁾ (#)	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽²⁾ (\$)
George T. Papanier.....	2 January 2020	20,273 ⁽⁴⁾	1,176,442.19	—	—
	19 January 2021	57,241 ⁽⁹⁾	3,321,695.23	—	—
		—	—	—	—
Stephen H. Capp.....	2 April 2019	13,050 ⁽⁵⁾	757,291.50	—	—
	2 January 2020	23,735 ⁽⁴⁾	1,377,342.05	—	—
	23 February 2021	19,011 ⁽¹⁰⁾	1,103,208.33	—	—
		—	—	—	—
Marc A. Crisafulli.....	8 May 2019	1,580 ⁽⁶⁾	91,687.40	—	—
	2 January 2020	21,757 ⁽⁴⁾	1,262,558.71	—	—
	5 May 2020	10,014 ⁽⁶⁾	581,112.42	—	—
	30 December 2020	109,529 ⁽⁶⁾	6,355,967.87	—	—
		—	—	—	—
Terrence Downey.....	18 May 2021	1,132 ⁽⁷⁾	65,689.96	—	—
Jaymin B. Patel.....	11 January 2021	2,020 ⁽⁸⁾	117,220.60	—	—
	18 May 2021	1,132 ⁽⁷⁾	65,689.96	—	—
Jeffrey W. Rollins.....	18 May 2021	1,132 ⁽⁷⁾	65,689.96	—	—
Wanda Wilson.....	18 May 2021	1,132 ⁽⁷⁾	65,689.96	—	—

- (1) Represents unvested time-based restricted stock units and restricted stock awards.
- (2) Amounts shown in this column represent the number of outstanding RSUs and PSUs multiplied by \$58.03 per share, the closing price of Bally's common shares on the NYSE on 28 May 2021.
- (3) Even though PSUs were awarded in 2019 and 2021, no PSUs are included in this table because, under U.S. accounting and disclosure rules, since the relevant performance criteria have not yet been established, the grant date for such PSUs has not yet been established.
- (4) RSUs awarded to Messrs. Papanier, Capp and Crisafulli on 2 January 2020 vest ratably on 15 January 2020, 30 December 2020 and 2 January 2022.
- (5) RSUs awarded to Mr. Capp on 2 April 2019 vest ratably on 31 December 2019, 31 December 2020 and 31 December 2021.
- (6) RSUs awarded to Mr. Crisafulli on 8 May 2019 vest as follows: 3,162 RSUs on 29 December 2019, 4,743 RSUs on 31 December 2020 and 1,580 RSUs on 1 May 2021. RSUs awarded to Mr. Crisafulli on 5 May 2020 vest ratably on 31 December 2020 and 31 December 2021. RSUs awarded to Mr. Crisafulli on December 30, 2020 vest ratably on 30 December 2021, 30 December 2022 and 30 December 2023.
- (7) For Messrs. Downey, Patel, and Rollins and Ms. Wilson, the restricted stock awards granted on 18 May 2021 will vest on the earlier of 18 May 2022 and the date of the 2022 annual meeting of Bally's Shareholders.
- (8) RSUs awarded to Mr. Patel on 11 January 2021 will vest on the one-year anniversary of the grant date.
- (9) RSUs awarded to Mr. Papanier on 19 January 2021 will vest in three equal installments on 31 December 2021, 2022 and 2023.
- (10) RSUs awarded to Mr. Capp on 23 February 2021 will vest as follows: 6,199 shares on 31 December 2021 and 12,812 shares on 31 December 2022.

- 6.5 Save as set on in this paragraph 6 (“**Directors’ and corporation officers’ interests in the Corporation**”), so far as Bally’s is aware:
- (A) the Bally’s Directors, the Proposed Bally’s Directors, and none of their respective immediate families, have any interests in the share capital of the Corporation which are required to be notified to the Corporation; and
- (B) it is not expected that any Bally’s Director or any Proposed Bally’s Director will have any interest in the share or loan capital of the Corporation on the Effective Date and there is no person to whom any capital of any member of the Bally’s Group is under award or option or agreed unconditionally to be put under award or option.

7. INTERESTS OF SIGNIFICANT SHAREHOLDERS

- 7.1 As at 28 May 2021 (being the latest practicable date prior to the date of publication of this Prospectus), insofar as it is known to the Corporation, the following persons are interested, directly or indirectly, in (i) 3% or more of the Bally’s Shares, or (ii) Bally’s Shares or Gamesys Shares in such proportion that they would be interested, directly or indirectly, in 5% or more of the voting rights in respect of the Corporation’s share capital immediately following the Effective Date:

Names	Number of Bally’s Shares	Percentage of Bally’s Shares	Percentage of Bally’s Shares immediately following the Effective Date ⁽³⁾
Standard RI Ltd ⁽¹⁾	10,342,069	23.22%	12.47%
PAR Capital Management, Inc. ⁽²⁾	2,752,184	6.18%	3.32%
Long Pond Capital LP	1,500,000	3.37%	1.81%
Sinclair Broadcast Group, Inc.....	12,830,730 ⁽⁴⁾	N/A	N/A

(1) Consists of 10,342,069 common shares of Bally’s held by Standard RI Ltd. Standard General L.P. serves as investment manager to Standard RI Ltd and, in that capacity, exercises voting and investment control over the shares held by Standard RI Ltd. Soohyung Kim is the managing partner and chief investment officer of Standard General L.P. Each of Mr. Kim and Standard General L.P. disclaims beneficial ownership of the shares reported except to the extent of its or his pecuniary interest in such shares.

(2) Amounts beneficially owned by PAR Capital Management, Inc. are based solely on a Form 8.3 disclosure filed with a Regulatory Information Service on 19 April 2021.

(3) Assumes the issue of 38,419,106 New Bally’s shares.

(4) Comprises options and warrants in respect of Bally’s Shares issued in connection with the Sinclair Framework Agreement summarised in paragraph 8 Part 7 of the Scheme Document.

- 7.2 Save as disclosed in this paragraph 7 (“**Interests of Significant Shareholders**”), the Bally’s Directors are not aware of any holdings of voting rights which will represent 5 percent or more of the total voting rights in respect of the issued share capital of Bally’s following completion of the Combination.
- 7.3 Save as disclosed in this paragraph 7 (“**Interests of Significant Shareholders**”), there are no other interests, including conflicting interests, that are material to the Offer, although Gamesys’ directors (including the Proposed Bally’s Directors) and executive officers may have interests in the Combination that are different from, or in addition to, those of Gamesys Shareholders and Bally’s Shareholders.
- 7.4 None of the Bally’s Shareholders referred to in this paragraph 7 (“**Interests of Significant Shareholders**”) has different voting rights from any other holder of Bally’s Shares.
- 7.5 Save as set out in this Part XX (“**Additional Information**”), the Corporation is not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Corporation or Gamesys or would exercise control over the Corporation following completion of the Combination.
- 7.6 Save in connection with the Combination where there will be a change in control of Gamesys, the Corporation and the Directors are not aware of any arrangements, the operation of which may at a subsequent date following the Combination, result in a change of control of the Corporation.

8. DIRECTORS' REMUNERATION AND BENEFITS

Details of the Bally's Directors' remuneration and benefits are set out in Part X ("*Bally's Directors, Proposed Bally's Directors, Corporation Officers and Corporate Governance*").

9. SHARE PLANS

Bally's Share Plans

- 9.1 Bally's has established the 2010 BLB Worldwide Holdings, Inc. Stock Option Plan (the "**2010 Plan**"), the Twin River Worldwide Holdings, Inc. 2015 Equity and Incentive Compensation Plan (the "**2015 Plan**") and the Bally's Corporation 2021 Equity Incentive Plan (the "**2021 Plan**") (the 2010 Plan, the 2015 Plan, and the 2021 Plan, collectively, the "**Stock Incentive Plans**"). Under the Stock Incentive Plans, awards of "**Stock Options**" (including Non-Qualified Stock Options ("**NQSOs**")), and, under the 2015 Plan and the 2021 Plan, awards of "**Restricted Stock Awards**", "**Restricted Stock Unit Awards**" ("**RSUs**") (which, when subject to the attainment of performance goals, are called performance stock units ("**PSUs**")), and "**Other Stock-Based Awards**" have been and/or may be granted.
- 9.2 As of 28 May 2021, there were 992,413 Bally's Shares subject to awards under the Stock Incentive Plans, consisting of Stock Options, RSUs, PSUs and Restricted Stock Awards.
- 9.3 A "**Stock Option**" means the right granted under the relevant Stock Incentive Plan to acquire a set number of Bally's Shares at a pre-determined exercise price at such times and on such conditions as are specified under the relevant Stock Option agreement and as determined by Bally's Compensation Committee.
- 9.4 A "**Restricted Stock Award**" consists of the grant of Bally's Shares to a participant, which is subject to a substantial risk of forfeiture and the transfer of which is subject to restrictions which lapse upon the passage of time, the achievement of performance goals or upon the occurrence of other events as determined by Bally's Compensation Committee. The period of restriction is established by Bally's Compensation Committee at the time of grant.
- 9.5 "**RSUs**" consist of a grant of a right to receive Bally's Shares (or other consideration based on the value of Bally's Shares) that are issued subject to vesting and transfer restrictions as determined by Bally's Compensation Committee. RSUs that vest based upon the attainment of performance-based conditions are referred to as "**PSUs**."
- 9.6 The Stock Incentive Plans are administered by Bally's Compensation Committee, consisting of members of Bally's Board of Directors (the "**Board**"), which members are not employees of the Corporation, as to grants and awards under the Stock Incentive Plans to employees of the Corporation.
- 9.7 On 4 May 2021 the Board approved the Bally's Employee Stock Purchase Plan (the "**ESPP**"), subject to the approval of Bally's Shareholders at their special meeting scheduled for June 30, 2021. The ESPP, if approved, would offer employees of Bally's and eligible subsidiaries the opportunity to purchase Bally's common stock at a discounted price during specified periods as an incentive for continued employment and to help align their interests with those of Bally's Shareholders. The ESPP authorizes the issuance of 3 million shares of common stock.

2010 Plan

- 9.8 On 5 November 2010, Bally's Board approved the 2010 Plan reserving 2,455,368 Bally's Shares (such number taking into consideration a 4:1 stock split that occurred in 2019) for issuance to nonemployee directors, certain employees, and certain consultants of Bally's or any of its affiliates.
- 9.9 The 2010 Plan is still in effect as to awards granted thereunder prior to 9 December 2015. Since 9 December 2015, Bally's ceased granting any new Stock Options under the 2010 Plan, and no further awards may be made under the 2010 Plan.
- 9.10 As of 28 May 2021, there were 60,000 Bally's Shares subject to vested outstanding Stock Option awards under the 2010 Plan. Such outstanding Stock Options vested on various schedules as set forth in the applicable award agreements. There are no other awards outstanding under the 2010 Plan.

- 9.11 Each grant of a Stock Option under the 2010 Plan specified the applicable terms of the Stock Option, including the number of Bally's Shares subject thereto and the required period or periods of the participant's continuous service, if any, before any Stock Option (or portion thereof) became exercisable, and the applicable exercise price (which was not less than 100 percent of the fair market value of a Bally's Share on the date of grant as determined by the Compensation Committee in good faith at the time of grant).
- 9.12 The vested Stock Options under the 2010 Plan can generally be exercised all or in part at any time until the tenth anniversary of the date of grant and are exercisable as set forth in the applicable award agreement (in accordance with law and the terms of the 2010 Plan).
- 9.13 A holder of an unexercised Stock Option award will not have any rights of a Bally's Shareholder (such as the right to vote the Bally's Shares or receive the dividends paid thereon).
- 9.14 The Combination will not have an impact on the 2010 Plan.

Change in control under the 2010 Plan

- 9.15 In the event of a change in control of Bally's (as defined in the 2010 Plan), the 2010 Plan provides that any outstanding awards then held by participants that are unexercisable or otherwise unvested (or subject to lapse restrictions) will automatically be deemed exercisable or otherwise vested (or no longer subject to lapse restrictions, as applicable), and Bally's Compensation Committee shall cancel such awards for fair value. For Stock Options, the fair value will equal the excess (if any) of the value of consideration to be paid in the change in control to holders of the same number of Bally's Shares subject to such Stock Options (or, if no consideration is paid in any such change in control, the fair market value of the Bally's Shares subject to the Stock Options over the aggregate exercise price). The fair market value will be the value established by Bally's Compensation Committee in good faith from time to time.

Administration of the 2010 Plan

- 9.16 The 2010 Plan is administered by Bally's Compensation Committee or such other committee as may be appointed by the Board.
- 9.17 Pursuant to the terms of the 2010 Plan, the Board may amend, alter, or discontinue the 2010 Plan at any time and in any respect, subject to certain limitations set forth in the 2010 Plan if such action would increase the total number of Bally's Shares reserved for issuance under the 2010 Plan, change the maximum number of Bally's Shares for which awards may be granted to any participant, change the method of determining fair market value, or diminish any of the rights of the participant with awards granted under the 2010 Plan. However, Bally's Compensation Committee may amend the 2010 Plan in such manner as it deems necessary for the grant of awards under the 2010 to satisfy the requirements of applicable laws.

2015 Plan

- 9.18 On 9 December 2015, Bally's adopted the 2015 Plan, reserving 1,700,000 Bally's Shares (such number taking into consideration a 4:1 stock split that occurred in 2019) for issuance to nonemployee directors, employees (including officers) and consultants of Bally's or any of its subsidiaries.
- 9.19 The 2015 Plan is still in effect as to awards granted thereunder. However, no further awards may be made under the 2015 Plan because the 2021 Plan was approved by Bally's Shareholders on 18 May 2021.
- 9.20 As of 28 May 2021, under the 2015 Plan, there were 6,548 Bally's Shares subject to outstanding Restricted Stock Awards and 529,210 Bally's Shares subject to outstanding RSUs. Even though PSUs were awarded in 2019 and 2021, due to the fact that the relevant performance criteria for such awards have not yet been established, under U.S. accounting and disclosure rules, the grant date for such PSUs has not yet been established and, therefore, such PSUs are not currently treated as outstanding.
- 9.21 Subject to adjustment provisions under the plan and taking into consideration the 4:1 stock split that occurred in 2019, under the 2015 Plan, no more than 1,700,000 Bally's Shares may be granted as Stock Options that are intended to qualify as "incentive stock options" under Section 422 of the Internal Revenue Code of 1986 ("**Incentive Stock Options**"), no more than 340,000 Bally's Shares

may be granted to any single participant in a single calendar year, and no more than 52,000 Bally's Shares may be granted to any single non-employee member of the Board in any single calendar year.

9.22 The Combination will not have an impact on the 2015 Plan.

Restricted Stock Awards under the 2015 Plan

9.23 Restricted Stock Awards under the 2015 Plan are issued subject to such vesting and transfer restrictions as Bally's Compensation Committee determines (and such other conditions set forth in the 2015 Plan and the applicable award agreement). Bally's Compensation Committee may require the payment by the participant of a specified purchase price in connection with any Restricted Stock Award.

9.24 The restrictions imposed on Restricted Stock Awards lapse in accordance with the vesting requirements specified by Bally's Compensation Committee in the applicable award agreement, which may be based on the continued service of the participant, on the attainment of specified performance goals, or on such other terms and conditions as approved by Bally's Compensation Committee.

9.25 Unless otherwise determined by Bally's Compensation Committee (and subject to the provisions of the 2015 Plan and applicable award agreement), a participant will have the rights of a Bally's Shareholder with respect to the Bally's Shares granted pursuant to a Restricted Stock Award (including, but not limited to, the right to vote the Bally's Shares and receive all dividends and other distributions paid or made with respect thereto). Any Bally's Shares or other securities received as a stock dividend or distribution will be subject to the same restrictions as the underlying Restricted Stock Award.

9.26 Restricted Stock Awards granted under the 2015 Plan historically have only been granted as time-based awards to Bally's Board members pursuant to Bally's non-employee director compensation policy. Such Restricted Stock Awards are subject to time-based vesting provisions and vest in full in one instalment on the earlier of the first anniversary of the grant date and the date of the annual meeting of Bally's Shareholders that occurs in the year immediately following the grant date year.

RSUs under the 2015 Plan

9.27 Each RSU represents a right to receive Bally's Shares (or other consideration based on the value of Bally's Shares) that are issued subject to such vesting and transfer restrictions as Bally's Compensation Committee determines (and such other conditions set forth in the 2015 Plan and the applicable award agreement). Bally's Compensation Committee may require the payment by the participant of a specified purchase price in connection with any RSU grant.

9.28 RSUs under the 2015 Plan may be settled by the delivery of Bally's Shares, their cash equivalent, any combination of the two, or in any other form of consideration as determined by Bally's Compensation Committee and set forth in the applicable award agreement.

9.29 The restrictions or conditions imposed on RSUs lapse in accordance with the vesting requirements specified by Bally's Compensation Committee in the applicable award agreement, which may be based on the continued service of the participant or on such other terms and conditions as approved by the Compensation Committee. At the time of grant, Bally's Compensation Committee may impose such restrictions or conditions that delay the delivery of the Bally's Shares (or their cash equivalent) subject to an award of RSUs to a time after the vesting of such RSU award.

9.30 Participants will have no rights of a Bally's Shareholder (including, but not limited to, the right to vote the Bally's Shares or receive dividends or other distributions paid or made with respect thereto) unless and until the Bally's Shares underlying the RSUs are actually delivered upon settlement of the RSUs.

9.31 Dividend equivalents may be credited to the Bally's Shares covered by RSUs (as determined by Bally's Compensation Committee and contained in the applicable award agreement), and such dividend equivalents may be converted into additional Bally's Shares covered by the RSUs. Any such dividend equivalents will be subject to all of the same terms and conditions of the underlying award agreement to which they relate (including with respect to the vesting and settlement set forth in the agreement).

- 9.32 The RSUs that have been granted under the 2015 Plan have been granted to employees of Bally's, with most of the RSUs vesting in one-third (or one-half) increments over a three-year period (or two-year period, respectively), following the date of grant.

PSUs under the 2015 Plan

- 9.33 PSUs under the 2015 Plan are RSUs that vest based upon the attainment of specified performance goals (as opposed to the passage of time). The restrictions or conditions imposed on PSUs shall lapse in accordance with the vesting requirements specified by Bally's Compensation Committee in the applicable award agreement, which, for PSUs, will generally be based on the attainment of specified performance goals or on such other terms and conditions as approved by Bally's Compensation Committee.
- 9.34 The same terms that apply to RSUs under the 2015 Plan as described above also apply to PSUs, including the following: the ability for the PSUs to be settled in Bally's Shares, their cash equivalent, any combination of the two, or in any other form of consideration as determined by Bally's Compensation Committee; the lack of rights of a Bally's Shareholder unless and until the Bally's Shares underlying the PSUs are actually delivered upon settlement of the award; and the potential for dividend equivalents to be credited to Bally's Shares covered by PSUs (which may be subject to all of the same terms and conditions of the underlying award agreement to which they relate as described above for RSUs).
- 9.35 The PSUs that have been granted under the 2015 Plan have been granted to employees and are generally subject to vesting over a two- or three-year performance period following the date of grant depending on the individual award agreement, based upon the attainment of certain performance objectives for the performance period (such as Bally's adjusted EBITDA and other strategic goals for the year).

Change in control under the 2015 Plan

- 9.36 In order to protect the participants' rights in the event of a change in control of Bally's (as defined in the 2015 Plan), the 2015 Plan provides Bally's Compensation Committee with the ability to provide, in the applicable award agreement, for the immediate vesting of outstanding and unvested awards (or lapse of restrictions) at the time of the change in control or any other effect that such change in control will have on such outstanding awards. Outstanding award agreements generally provide for "double-trigger" vesting of the RSUs in the event of a change in control, which generally means that the RSUs will only automatically vest in full upon a change in control if the acquiring or surviving entity does not provide a replacement award (as described in the 2015 Plan) to the holder. If the acquiring or surviving entity provides a replacement award, the vesting of the RSUs will only accelerate upon the "involuntary termination" of employment (as defined in the 2015 Plan) within two years following the change in control. The outstanding award agreements generally provide for "single trigger" vesting of the PSUs in the event of a change in control at the "target" performance level.

Administration of the 2015 Plan

- 9.37 The 2015 Plan is administered by Bally's Compensation Committee or such other committee of the Board appointed by the Board to administer the 2015 Plan (or the full Board if no such committee is appointed).
- 9.38 Pursuant to the terms of the 2015 Plan, the Board may amend the 2015 Plan at any time and in any respect. The Board may also terminate the 2015 Plan at any time. No amendment or termination of the 2015 Plan may adversely affect any award granted thereunder prior to the date of such amendment or termination without the written consent of the relevant participant.

2021 Plan

- 9.39 On 8 April 2021, Bally's submitted the 2021 Plan to Bally's Shareholders for approval, which was approved at their 2021 Annual Meeting on 18 May 2021, and reserved a total of 4,250,000 Bally's Shares, less the number of shares granted between 31 December 2020 and 18 May 2021, for issuance to nonemployee directors, employees (including officers), and certain consultants of Bally's or any of its subsidiaries.

- 9.40 The 2021 Plan became effective on 18 May 2021, which was the date it was approved by Bally's Shareholders, and will remain in effect as to awards granted thereunder until the tenth anniversary of the effective date (unless earlier terminated by the Board). No further awards may be made under the 2015 Plan since the 2021 Plan became effective.
- 9.41 The 2021 Plan provides the Compensation Committee with the ability to grant certain awards such as Stock Options, RSUs, PSUs, and Restricted Stock Awards as described above, as well as awards of share appreciation rights, performance shares, cash incentive awards, and dividend equivalents (which are not summarised herein given that no such awards have been granted to date).
- 9.42 Awards under the 2021 Plan may be subject to any clawback policy of Bally's or provide for the cancellation or forfeiture of an award or forfeiture and repayment of any gain related to an award if any participant engages in any detrimental activity (as will be described in the applicable award agreement or such clawback policy).
- 9.43 Similar to the 2015 Plan, the 2021 Plan permits the Compensation Committee to provide, in the applicable award agreement, for the immediate vesting of outstanding and unvested awards (or lapse of restrictions) at the time of the change in control or any other effect that such change in control will have on such outstanding award.
- 9.44 The 2021 Plan will be administered by Bally's Compensation Committee, which may amend the 2021 Plan, without Shareholder approval, at any time and in any respect, unless Shareholder approval of the amendment in question is required under applicable law, rules or regulations. Bally's Compensation Committee may also terminate the 2021 Plan at any time. No amendment or termination of the 2021 Plan may adversely affect any award granted thereunder prior to the date of such amendment or termination without the written consent of the relevant participant. As of May 28 May 2021, there were 266,474 Bally's Shares subject to outstanding RSUs under the 2021 Plan.
- 9.45 The Combination will not have an impact on the 2021 Plan.

Gamesys Share Plans

- 9.1 Participants in the Gamesys Share Plans and SIP will be contacted regarding the effect of the Combination on their rights under the Gamesys Share Plans and SIP and appropriate proposals will be made to the participants in the Gamesys Share Plans.
- 9.2 Awards granted under the Gamesys Share Plans which are unvested immediately before the Court sanctions the Scheme ("**Court Sanction Date**") will vest and become exercisable on the Court Sanction Date on the basis determined by the Gamesys Remuneration Committee in accordance with the relevant Gamesys Share Plan rules, award agreement and participant employment contract. The Gamesys Remuneration Committee will determine the extent to which any performance conditions that apply to any outstanding awards have been met shortly before the Court Sanction Date and has determined that (i) no time pro-rating will be applied to any awards granted before 1 January 2021 and (ii) time pro-rating will be applied to awards granted after 1 January 2021, reducing the maximum number of Gamesys Shares over which such awards can vest to one third of the Gamesys Shares under award if the Court Sanction Date falls in 2021. Vested but unexercised awards under the (i) Gamesys Long Term Incentive Plan will lapse no later than one month after the Court Sanction Date and (ii) Gamesys Share Option Plan will lapse no later than 8 September 2021.
- 9.3 The Combination will apply to Gamesys Shares which are unconditionally allotted, issued or transferred to satisfy the vesting or exercise of awards under the Gamesys Share Plans before the Scheme Record Time. Any Gamesys Shares allotted, issued or transferred to satisfy the vesting or exercise of awards under the Gamesys Share Plans after the Scheme Record Time will, subject to the Combination becoming effective and the proposed amendments to the Gamesys articles of association being approved at the General Meeting, be immediately transferred to Bally's for the same consideration as Gamesys Shareholders will be entitled to receive under the Combination.
- 9.4 Gamesys Shares held in the SIP trusts, as partnership shares, matching shares and free shares, will participate in the Combination (on the same terms as for other Gamesys Shareholders). Matching share awards and free share awards granted under the SIP which are unvested immediately before the Court Sanction Date will vest on the Court Sanction Date.

10. PENSIONS

Bally's

- 10.1 In the year ended 31 December 2020, none of the Bally's Directors or the Corporation Officers participate in any pension plans providing for payment or other benefits at, following or in connection with retirement, nor any deferred compensation plans or programmes.

Gamesys

- 10.2 Gamesys does not have a defined benefit pension scheme. It does, however, operate a defined contribution plan. For the year ended 31 December 2020, Gamesys contributed £2.4m to the Gamesys Group pensions and £0.1m to Gamesys pensions. Bally's does not intend to make any changes to this plan and intends that contributions be made to this plan in accordance with applicable law.

11. SIGNIFICANT SUBSIDIARY UNDERTAKINGS

- 11.1 Bally's is the parent company of the Bally's Group and, following completion of the Combination, will become the holding company of the Combined Group.
- 11.2 The principal and significant subsidiary undertakings and associated undertakings of Bally's and Gamesys that Bally's considers are, on completion of the Combination, likely to have a significant effect on the assessment of the Combined Group's assets and liabilities, financial position or profits and losses are listed below. Unless otherwise stated to the contrary, all are wholly owned, directly or indirectly:

Bally's Group

- 11.3 The following is a list of subsidiaries of Bally's, as at the Latest Practicable Date:

Name	State or country of incorporation or organisation	Percentage ownership (direct and indirect)
Twin River Management Group, Inc.....	Delaware	100%
Premier Entertainment Biloxi, LLC (Hard Rock Hotel & Casino).....	Delaware	100%
UTGR, Inc. (Twin River Casino Hotel).....	Delaware	100%
Premier Entertainment II, LLC (Newport Grand).....	Delaware	100%
Mile High USA, Inc.	Delaware	100%
Twin River – Tiverton, LLC (Tiverton Casino Hotel).....	Delaware	100%
Premier Entertainment III, LLC (Dover Downs Hotel and Casino).....	Delaware	100%
Premier Entertainment Black Hawk, LLC (Mardi Gras Casino, Golden Gates Casino and Golden Gulch Casino).....	Colorado	100%
Premier Entertainment Vicksburg, LLC (Casino Vicksburg).....	Delaware	100%
½IOC-Kansas City, Inc. (Casino KC).....	Delaware	100%
Premier Entertainment AC, LLC (Bally's Atlantic City Hotel & Casino)	New Jersey	100%
Premier Entertainment Louisiana I, LLC (Eldorado Resort Casino Shreveport)	Delaware	100%
Horses Mouth Limited (SportCaller).....	Ireland	100%
Bally's Interactive	Delaware	100%
Columbia Properties Tahoe, LLC (MontBleu Casino Resort & Spa)	Nevada	100%
Betworks (US) LLC.....	Nevada	100%
Sportsoft Solutions Inc.....	British Columbia	100%

Gamesys Group

11.4 The following is a list of Subsidiaries of Gamesys, as at the Latest Practicable Date:

Name	State or country of incorporation or organisation	Percentage ownership (direct and indirect)
JPJ Group Jersey Finance Limited	Jersey	100%
JPJ Holding II Limited.....	Jersey	100%
JPJ Group Holdings Limited.....	Jersey	100%
Gamesys Group (Holdings) Limited.....	Jersey	100%
Intertain CallCo ULC.....	Canada	100%
The Intertain Group Limited	Canada	100%
JPJ Maple Media Ltd	Canada	100%
Jackpotjoy Operations Ltd	Bahamas	100%
Wagerlogic Bahamas Ltd	Bahamas	100%
Golden Hero Group Ltd.....	Bahamas	100%
Gamesys Estonia OU	Estonia	100%
JPJ Holding Jersey Limited	Jersey	100%
JPJ Jersey Limited.....	Jersey	100%
Gamesys Jersey Limited.....	Jersey	100%
Dumarca Holdings Ltd.....	Malta	100%
Dumarca Services Ltd.....	Malta	100%
Dumarca Gaming Ltd.....	Malta	100%
Dumarca Live Ltd	Malta	100%
Cryptologic Operations Ltd.....	Malta	100%
Wagerlogic Malta Holding Limited	Malta	100%
Cryptologic Trading Ltd.....	Malta	100%
JPJ Maple II Ltd.....	Malta	100%
Gamesys Network Ltd.....	Malta	100%
Gamesys Spain S.A.....	Gibraltar	100%
Gamesys Spain Operations S.A.	Gibraltar	100%
JPJ Spain Operations S.A.	Ceuta	100%
Wagerlogic Israel Ltd	Israel	100%
Jet Media ltd.....	Gibraltar	100%
Solid Innovations Ltd.....	Gibraltar	100%
Entertaining Play Ltd	Gibraltar	100%
Gamesys Gibraltar Ltd	Gibraltar	100%
Leisure Spin Ltd.....	Gibraltar	100%
Profitable Play Ltd.....	Gibraltar	100%
Nozee Ltd	Gibraltar	100%
Gamesys Operations Ltd	Gibraltar	100%
JPJ Marketing Support Services Ltd.....	United Kingdom	100%
Intertain Management (UK) Ltd.	United Kingdom	100%
Gamesys Ltd.....	United Kingdom	100%
Mice & Dice Ltd	United Kingdom	100%
Plain Support SA.....	Costa Rica	100%
Dumarca Asia Ltd	Hong Kong	100%
Silverspin AB	Sweden	100%
Intertain Financial Services AB	Sweden	100%
Fifty States Ltd.....	Isle of Man	100%
Solid (IOM) Ltd	Isle of Man	100%
Libita Group Ltd	Isle of Man	100%
Stockwell Ltd.....	Isle of Man	100%
The Intertain Group Finance LLC	Delaware	100%
Gamesys US LLC	Delaware	100%
Luxembourg Investment Corporation 192 S.a.r.l.	Luxembourg	100%

12. PROPERTIES AND ASSETS

- 12.1 For information on the principal properties and material fixed assets that are owned or leased by the Bally's Group as at the date of this Prospectus, please see Part VIII ("**Information on Bally's**").
- 12.2 There are no major encumbrances on the Bally's Group's material tangible fixed assets and there are no environmental issues that may affect Bally's utilisation of its material tangible fixed assets.
- 12.3 There are no major encumbrances on the Gamesys Group's material tangible fixed assets and there are no environmental issues that may affect Gamesys' utilisation of its material tangible fixed assets.

13. WARRANT INSTRUMENT

- 13.1 On 26 September 2019, Gamesys Group entered into a warrant instrument in favour of Virgin Enterprises Limited (the "**Warrant Holder**"). Pursuant to the warrant instrument, the Warrant Holder was issued with a warrant to subscribe for 300,000 shares in Gamesys Group at a subscription price of 892.878 pence per share. The Warrant Holder is entitled to exercise the warrants and subscribe for the relevant Gamesys Group shares for a period of five years, until 26 September 2024, or until completion of a takeover (effected by way of either a takeover offer or a scheme of arrangement) of Gamesys Group, if earlier.

14. MATERIAL CONTRACTS

Bally's Group

- 14.1 "The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Bally's or another member of the Bally's Group (i) within the two years immediately preceding the date of this Prospectus which are or may be material to the Bally's Group or (ii) which contain provisions under which any member of the Bally's Group has an obligation or entitlement which is material to the Bally's Group as at the date of this Prospectus.

Confidentiality Agreement

- 14.2 See paragraph 20 of Part VII ("**Details of the Combination**").

Confidentiality and Joint Defence Agreement

- 14.3 See paragraph 20 of Part VII ("**Details of the Combination**").

Co-operation Agreement

- 14.4 See paragraph 20 of Part VII ("**Details of the Combination**").

Sinclair Framework Agreement

- 14.5 On 18 November 2020, Bally's and Sinclair Broadcast Group, Inc ("**Sinclair**") entered into a framework agreement (the "**Sinclair Framework Agreement**") and completed the transactions contemplated thereby, which provide for a long-term strategic relationship between Bally's and Sinclair combining Bally's integrated, proprietary sports betting technology with Sinclair's portfolio of local broadcast stations and live regional sports networks ("**RSNs**") and its Tennis Channel, Stadium sports network and STIRR streaming service, whereby Bally's receives (i) naming rights, including the right to brand Bally's as the primary marketed name on Sinclair's RSNs (other than the YES Network and Marquee) and mobile applications, websites, social media accounts and digital streams primarily related to the covered regional sports networks as well as co-branded secondary naming rights for the Stadium network and related digital platforms, (ii) gaming integration access across the television stations that Sinclair owns, or provide services to, (iii) advertising access, and (iv) rights related to marketing, data analytics and other related items; the issuance of warrants and options; and a tax receivable agreement pursuant to which Bally's is required to share 60 per cent. of the tax benefit it receives from the aforementioned warrants and options, which are payable to Sinclair over the remaining term of the agreement once the tax benefit amounts become finalised through the filing of Bally's annual tax returns. The initial term of the Sinclair Framework Agreement is 10 years from the commencement date of the re-branded Sinclair RSNs and can be renewed for one additional five-year term unless either Bally's or Sinclair elects not to renew no later than 18 months prior to the end of the initial term.

- 14.6 Under the terms of the Sinclair Framework Agreement, Bally's will be required to pay annual naming rights fees to the RSNs which escalate annually and total \$88.0 million over the ten-year term of the agreement and begin on the commencement date of the re-branded Sinclair RSNs. Bally's has also committed to spend a percentage of its annual interactive marketing spend on those networks. In addition, Bally's has issued to Sinclair (i) an immediately exercisable warrant to purchase up to 4,915,726 shares of Bally's at an exercise price of \$0.01 per share, (ii) a warrant to purchase up to a maximum of 3,279,337 additional shares of Bally's at a price of \$0.01 per share subject to the achievement of various performance metrics, and (iii) an option to purchase up to 1,639,669 additional shares of Bally's in four tranches with purchase prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning on the fourth anniversary of the 18 November 2020 closing. The exercise and purchase prices and the number of Bally's Shares issuable upon exercise of the warrants and options are subject to customary anti-dilution adjustments. Sinclair may not hold more than 4.9% of Bally's outstanding common stock at any time without obtaining necessary gaming approvals. Sinclair may not transfer any shares of common stock prior to 18 November 2021 and, for a year thereafter, may not transfer during any quarter shares representing more than 1% of Bally's outstanding common stock, other than in an underwritten offering. All warrants and options accelerate and vest on a change in control of Bally's (generally any ownership change greater than 50 per cent.).
- 14.7 Under the Sinclair Framework Agreement, subject to the receipt of any required gaming approvals, Sinclair is entitled to appoint a board observer (without voting rights) as long as Sinclair holds greater than 5 per cent. of the outstanding stock (including on an as-converted basis), and may designate a certain number of directors as long as it has the right to exercise warrants and/or options representing at least 10 per cent. of the outstanding stock. Sinclair also agreed to certain standstill restrictions. Bally's agreed to use its reasonable efforts to provide Sinclair with an opportunity to participate in any equity offering in order to maintain its overall ownership percentage. In addition, Bally's agreed to convert common stock purchased by Sinclair in open market purchases into penny warrants, which conversion was completed on 20 April 2021. Bally's also provided Sinclair and its affiliates with customary registration rights pursuant to a registration rights agreement.
- 14.8 On 13 April 2021, in connection with the Sinclair Framework Agreements, Bally's entered into a memorandum of understanding ("MOU") with Sinclair. Under the MOU, Bally's and Sinclair will work collectively to facilitate the production and broadcast of Bally's-produced content during the current non-game windows on Sinclair's 19 RSNs recently rebranded "Bally Sports". Bally's and Sinclair will also explore opportunities to include Bally's programming in Sinclair-owned media platforms and affiliates other than the Bally Sports RSNs, which may include Sinclair's Tennis Channel and Stadium assets. Bally's development of a wide range of live sporting content and other interactive programming will support the eventual launch of the Bally Bet app. It will also reduce Bally's reliance on advertising spend, though it will have no impact on any contractual obligation that Bally's owes to Sinclair or Bally Sports.

Rhode Island Joint Venture

- 14.9 On 30 January 2020, Bally's announced an agreement in principle to form a joint venture ("JV") with International Gaming Technology PLC ("IGT") to become a licenced technology provider and supply the State of Rhode Island with all video lottery terminals ("VLTs") at both Twin River Casino Hotel and Tiverton Casino Hotel for a 20-year period starting on 1 July 2022. A minimum annual VLT replacement cycle will be set at 6% flexibility to replace up to 8% in any year, and at least 5% of the VLTs will be the highly popular premium machines to keep the gaming offering on par with regional competitors.
- 14.10 Under these arrangements, IGT would own 60% of the JV and Bally's the remaining 40%. In addition, Bally's Master Video Lottery Terminal Contract with Rhode Island would be extended on existing terms until 30 June 2043, and Bally's would commit to investing \$100 million in Rhode Island over this extended term, including an expansion and the addition of new amenities at Twin River Casino Hotel. This proposed agreement requires the Rhode Island State Legislature to enact legislation for the state to enter into or amend contracts with Bally's.

Master Video Lottery Terminal Contract

- 14.11 The master video lottery terminal contract between Bally's and the Division of Lotteries for the State of Rhode Island and the State of Rhode Island Department of Transportation dated 18 July 2005 (and most recently amended on 18 September 2018, the "**Master Video Lottery Terminal**

Contract) governs the licensing and operation of video lottery terminals by the Bally's Group in Rhode Island and the payment of amounts by the State of Rhode Island to the Bally's Group in respect of sums generated by such video lottery terminals.

- 14.12 The current term for the Twin River Casino Hotel contract with the Division of Lotteries of the Rhode Island Department of Revenue dated 13 September 2018 ends on 17 July 2025, with one additional five-year option subject to Twin River Casino Hotel meeting minimum employment requirements.
- 14.13 The current term for the Tiverton Casino Hotel contract with the Division of Lotteries of the Rhode Island Department of Revenue dated 13 September 2018 ends on 23 November 2025, with one additional five-year option subject to meeting minimum employment requirements. The contract was automatically assigned, pursuant to Rhode Island law, from Newport Grand to Tiverton Casino Hotel upon commencement of gaming operations at the new facility.

Centre County, Pennsylvania Framework Agreement

- 14.14 On 31 December 2020, Bally's signed a master term sheet (the "**Centre Country Master Term Sheet**") with an established developer to jointly design, develop, construct and manage a Category 4 licenced casino in Centre County, Pennsylvania. Construction of the casino is expected to begin in the first half of 2021 and will take approximately one year to complete.
- 14.15 Subject to receipt of all applicable regulatory approvals, pursuant to the Centre Country Master Term Sheet, this site would house up to 750 slot machines and 30 table games. The casino will also provide, subject to receipt of separate licences and certificates, retail sports betting, online sports betting and online gaming. Bally's will acquire a majority equity interest in the partnership, including 100% of the economic interests of all retail sports betting, online sports betting and iGaming activities associated with the project contemplated by the Centre Country Master Term Sheet.

Acquisition of Shreveport Resort and Casino and MontBleu Resort Casino & Spa

- 14.16 Shreveport and MontBleu Equity Purchase Agreement. On 24 April 2020, Bally's entered into an agreement to acquire the Eldorado Shreveport Resort and Casino in Shreveport, Louisiana and the MontBleu Resort Casino and Spa in Lake Tahoe, Nevada pursuant to the terms of an equity purchase agreement (as subsequently amended, the "**Shreveport and MontBleu Equity Purchase Agreement**") entered into by and among Bally's (then Twin River Worldwide Holdings, Inc. ("**TRWH**")), Caesars Entertainment, Inc. ("**Caesars**") (then Eldorado Resorts, Inc. ("**ERI**")), and their subsidiaries and affiliates further described below.
- 14.17 Parties to the Shreveport and MontBleu Equity Purchase Agreement. The Shreveport and MontBleu Equity Purchase Agreement was entered into by and among (i) Eldorado Shreveport #1, LLC, a Nevada limited liability company, (ii) Eldorado Shreveport #2, LLC, a Nevada limited liability company, (iii) New Tropicana OpCo, Inc., a Delaware corporation as sellers; and (iv) Eldorado Casino Shreveport Joint Venture, a Louisiana partnership, (v) Columbia Properties Tahoe, LLC, a Nevada limited liability company, (vi) Twin River Management Group, Inc., a Delaware corporation ("**TRMG**") (a subsidiary of Bally's, and each of TRMG and one or more newly formed Delaware corporations, limited liability companies or limited partnerships that are direct or indirect subsidiaries of Bally's and designated by TRMG or Bally's for this purpose, a buyer), (vii) Caesar's (the ERI), and (viii) Bally's (then TRWH).
- 14.18 Consideration. The aggregate base purchase price for both properties is \$155 million, subject to customary post-closing adjustments. The base consideration for the purchase of Eldorado Shreveport Resort and Casino (the "**Shreveport Transaction**") was \$140 million. The base consideration for the purchase of MontBleu Resort Casino and Spa (the "**MontBleu Transaction**") was \$15 million, with only the amount by which the estimated purchase price exceeded \$15 million payable at closing, and the balance deferred until one year after the closing of the MontBleu Transaction.
- 14.19 Closing Conditions; Regulatory Approvals. Consummation of the sale is subject to various conditions, including receipt of required gaming authority and Federal Trade Commission approvals. In addition, ERI's obligation to consummate the sale is subject to the prior or concurrent closing of ERI's previously announced merger with Caesars Entertainment Corporation ("**Caesars**" and the merger, the "**Eldorado/Caesars Merger**") and ERI had the right to terminate the Shreveport and MontBleu Equity Purchase Agreement if Bally's had not obtained at least \$140 million of additional

financing or financing commitments by 12 May 2020. The Shreveport and MontBleu Equity Purchase Agreement may also be terminated by Bally's in certain circumstances, including if closing does not occur prior to 24 April 2021, subject to extension to 24 June 2021 if necessary to obtain required regulatory approvals.

- 14.20 **Representations and Warranties, Covenants, and Indemnification.** The Shreveport and MontBleu Equity Purchase Agreement contains customary representations, warranties, covenants and indemnification obligations.
- 14.21 **Termination.** If the Shreveport and MontBleu Equity Purchase Agreement is terminated in certain circumstances as a result of the failure of Bally's or ERI to receive regulatory approvals (other than as a result of certain unsuitability determinations with respect to Bally's), ERI will be required to pay Bally's a termination fee of \$5.4 million. If the Shreveport and MontBleu Equity Purchase Agreement is terminated as a result of certain unsuitability findings with respect to Bally's, Bally's will be required to pay ERI a \$5.4 million termination fee. ERI will be required to pay Bally's a \$15 million termination fee if the sale is not consummated because the Eldorado/Caesars Merger does not close.
- 14.22 **Closing.** The Shreveport Transaction was completed on 22 December 2020 and the MontBleu Transaction was completed on 6 April 2021.

Acquisition of Isle of Capri Casino Kansas City and Lady Luck Casino Vicksburg

- 14.23 **KC Purchase Agreement.** On 10 July 2019, Bally's (then TRWH) entered into an equity purchase agreement (the "**KC Purchase Agreement**") by and among (i) ERI, (ii) Isle of Capri Casinos LLC, a Delaware limited liability company, (iii) IOC-Vicksburg, Inc., a Delaware corporation, and (iv) IOC-Vicksburg, L.L.C., a Delaware limited liability company as sellers; and (v) Rainbow Casino Vicksburg Partnership, L.P., a Mississippi limited partnership ("**Rainbow**") and (vi) IOC-Kansas City, Inc., a Missouri corporation ("**IOC Kansas City**") (each of Rainbow and IOC Kansas City a "**KC Acquired Corporation**"), (vii) TRMG (a subsidiary of Bally's), and (viii) Premier Entertainment Vicksburg, LLC, a Delaware limited liability company and wholly owned subsidiary of TRMG ("**Buyer Sub**") (each of TRMG and Buyer Sub a "**KC Buyer**" and collectively the "**KC Buyers**").
- 14.24 **Consideration.** Pursuant to the terms of the KC Purchase Agreement, the KC Buyers agreed to acquire all of the outstanding equity securities of the KC Acquired Companies (the "**KC Transaction**") which owned Isle of Capri Casino in Kansas City, Missouri and Lady Luck Casino in Vicksburg, Mississippi, respectively, for an aggregate purchase price of \$230,000,000 in cash, subject to certain customary post-closing adjustments.
- 14.25 **Closing Conditions; Regulatory Approvals.** The KC Transaction is conditioned upon the satisfaction of customary closing conditions, including, among others,: (i) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**"); (ii) receipt of required regulatory approvals, including applicable gaming regulatory approvals; (iii) the accuracy of the representations and warranties of each party to the KC Purchase Agreement as of closing; (iv) the performance in all material respects by the parties of their respective covenants under the KC Purchase Agreement; (v) receipt of specified third party consents; and (6) in the case of the KC Acquired Companies, the absence of any material adverse effect since the date of the KC Purchase Agreement.
- 14.26 **Representations and Warranties, Covenants, and Indemnification.** The KC Purchase Agreement contains customary representations and warranties and covenants (including with respect to post-closing indemnification) from the KC Acquired Companies as well as the KC Buyers, ERI and Bally's.
- 14.27 **Termination Rights.** In addition, the KC Purchase Agreement contains certain termination rights, pursuant to which either party, in certain circumstances, may terminate the KC Purchase Agreement, including (i) if there is a final determination by the applicable gaming authority not to issue the gaming approvals required to consummate the KC Transaction, or either KC Buyer withdraws its application for any such gaming approvals in response to a likely or impending denial of such approvals; (ii) there is a final, non-appealable order preventing the consummation of the KC Transaction; and (iii) in the event that the KC Transaction has not been consummated by 10 July 2020 (the "**KC Outside Date**"), subject to two 30-day extensions that may be exercised by either party in the event that all of the conditions to closing have been satisfied other than receipt of

required HSR Act and/or gaming approvals, and an additional extension until 24 December 2020 which may be exercised by ERI if the KC Transaction has not yet closed as of the KC Outside Date after giving effect to the two 30-day extensions and all of the conditions to closing have been satisfied other than receipt of required HSR Act and/or gaming approvals and there remains a reasonable likelihood that ERI's proposed combination with Caesars will be consummated by 24 December 2020. If the KC Purchase Agreement is terminated because Bally's fails to obtain applicable antitrust approvals or gaming regulatory approvals or, in certain circumstances upon the occurrence of the KC Outside Date, Bally's may be required to pay ERI a termination fee of \$8,050,000. This termination fee would not be owed by Bally's if the Buyers are not otherwise in material breach of their obligations under Section 4.4 of KC Purchase Agreement and the KC Transaction is not consummated by the KC Outside Date (as that date may be extended) due to a failure to obtain a gaming or other regulatory approval necessary to consummate the KC Transaction that is primarily caused by the failure of ERI or Caesars or any of their affiliates, to receive any regulatory or governmental approvals or approvals of a gaming authority necessary to consummate ERI's proposed combination with Caesars.

14.28 *Closing.* The KC Transaction completed on 2 July 2020.

Acquisition of Bally's Atlantic City Hotel & Casino

- 14.29 *Asset Purchase Agreement.* On 24 April 2020, Bally's Park Place LLC ("**Bally's Park Place**", a subsidiary of Caesars) and TRMG (a subsidiary of Bally's), entered into an asset purchase agreement (the "**Asset Purchase Agreement**") providing for the sale of certain assets of Bally's Atlantic City Hotel & Casino ("**Bally's Atlantic City**").
- 14.30 Concurrently with the execution of the Asset Purchase Agreement, TRMG and Bally's Atlantic City LLC, a Delaware limited liability company ("**Bally's AC**") an affiliate of VICI Properties Inc. ("**VICI**") entered into an Agreement of Sale (the "**Agreement of Sale**") providing for the sale of the real property from which Bally's Atlantic City is operated.
- 14.31 *Consideration.* Pursuant to the Asset Purchase Agreement and the Agreement of Sale, Bally's Park Place and Bally's AC will sell Bally's Atlantic City and the real property on which it is operated to TRMG for approximately \$25 million in cash (subject to customary closing adjustments), on the conditions and terms set forth therein. VICI will receive approximately \$19 million from the sale, while Caesars will receive approximately \$6 million.
- 14.32 *Closing Conditions; Regulatory Approvals.* Consummation of the transactions contemplated by each of the Asset Purchase Agreement and the Agreement of Sale was subject to various conditions, including required regulatory approvals, being an Interim Casino Authorisation ("**ICA**") as provided under N.S.S.A. 5:12-95.12, et seq., and obtaining all actions, non-actions, licences, qualifications, consents and orders of any person required in connection with the authorisation, execution and delivery of the Asset Purchase Agreement and Agreement of Sale.
- 14.33 *Representations and Warranties, Covenants, and Indemnification.* Each of the Asset Purchase Agreement and the Agreement of Sale contains customary representations and warranties, covenants, and indemnification provisions for an agreement of each such type.
- 14.34 *Closing.* On 18 November 2020, Bally's announced that it had completed the previously announced acquisition of Bally's Atlantic City Hotel & Casino from Caesars and VICI.

Acquisition of Black Hawk Casinos

- 14.35 *Black Hawk Purchase Agreement.* On 29 January 2019, TRMG (a subsidiary of Bally's), entered into a membership interest purchase agreement (the "**Black Hawk Purchase Agreement**") by and among (i) TRMG (a subsidiary of Bally's), (ii) Affinity Gaming, a Nevada corporation ("**Affinity**"), and (iii) Affinity Gaming Black Hawk, LLC, a Colorado limited liability company (the "**Affinity Black Hawk**") wherein TRMG agreed (i) to purchase all of the issued and outstanding limited liability company interests of Affinity Black Hawk and (ii) to engage in certain transactions with Affinity (the "**Black Hawk Transactions**") in order to acquire the rights to own, operate, manage, and conduct the business of the casino, hotel and related operations located in Black Hawk, Colorado, more commonly known as Golden Gates, Mardi Gras and Golden Gulch.
- 14.36 *Consideration.* The aggregate purchase price paid by TRMG for the three casino properties was \$53 million in cash, subject to certain customary post-closing adjustments.

- 14.37 *Closing Conditions; Regulatory Approvals.* The proposed Black Hawk Transactions were conditioned upon the satisfaction of customary closing conditions, including, among others: (i) receipt of required regulatory approvals, including applicable gaming regulatory approvals; (ii) the accuracy of the representations and warranties of each party to the Black Hawk Purchase Agreement as of closing; (iii) the performance in all material respects by the parties of their respective covenants under the Black Hawk Purchase Agreement; (iv) receipt of specified third party consents; and (v) in the case of the Affinity Black Hawk, the absence of any material adverse effect since the date of the Black Hawk Purchase Agreement.
- 14.38 *Representations and Warranties, Covenants, and Indemnification.* The Black Hawk Purchase Agreement contains representations and warranties, covenants, and indemnification provisions consistent with an agreement of such type.
- 14.39 *Changes to State Law.* On 5 November 2019, Proposition DD was passed by the voters of Colorado, legalising sports gambling in the state. As a result of this new legislation, TRMG received three sports betting licences in Colorado through the acquisition of Golden Gates, Mardi Gras, and Golden Gulch Casinos. TRMG subsequently entered into separate agreements with DraftKings Inc. and FanDuel Group to provide sportsbook products through those licences.
- 14.40 *Closing.* On 23 January 2020, TRMG completed its acquisition of the three Black Hawk casino properties.

Acquisition of SportCaller

- 14.41 On 5 February 2021, Bally's acquired Horses Mouth Limited ("**SportCaller**") for \$24.0 million in cash and 221,391 of Bally's common stock at closing, pending adjustment, and up to \$12.0 million in value of additional shares if SportCaller meets certain post-closing performance targets (calculated based on an exchange ratio of 0.8334).

Acquisition of Monkey Knife Fight

- 14.42 *MKF Agreement.* The agreement and plan of merger (the "**MKF Agreement**"), dated 22 January 2021, was entered into by and among (i) Bally's, (ii) Fantasy Sports Shark LLC d/b/a Monkey Knife Fight, a California limited liability company and, after its conversion pursuant to the plan of merger, a Delaware limited liability company ("**MKF**"), and (iii) William Asher, solely in his capacity as the Member Representative (other than as explicitly stated therein). The acquisition of MKF by Bally's was effected through a merger between MKF's newly-formed and wholly owned subsidiary, a Delaware limited liability company, with Bally's, as a result of which MKF became a wholly owned subsidiary of Bally's.
- 14.43 *Consideration.* Bally's acquired MKF for (i) immediately exercisable penny warrants to purchase up to 984,450 Bally's Shares (subject to adjustment) at closing and (ii) contingent penny warrants to purchase up to 787,550 additional Bally's Shares half of which is issuable on each of the first and second anniversary of closing. The contingency relates to MKF's continued operations in jurisdictions in which it operates at closing.
- 14.44 *Closing.* Bally's completed its acquisition of MKF on 31 March 2021.

Acquisition of Jumer's Casino & Hotel

- 14.45 *Jumer's Purchase Agreement.* On 30 September 2020, Bally's (then TRWH), entered into an equity purchase agreement (the "**Jumer's Purchase Agreement**") by and among (i) The Rock Island Boatworks, Inc., an Illinois corporation ("**Boatworks**"), (ii) Rock Island Foodservice, Inc., an Illinois corporation and wholly-owned Subsidiary of Boatworks ("**Foodservice**" and together with Boatworks, the "**Jumer's Acquired Companies**"), (iii) Delaware North Companies Gaming & Entertainment, Inc., a Delaware corporation ("**Jumer's Seller**"), (iv) TRMG (a subsidiary of Bally's), (v) solely for the limited purposes set forth in the Jumer's Purchase Agreement, Delaware North Companies, Incorporated, a Delaware corporation ("**Parent**"), and (vi) Bally's.
- 14.46 *Consideration; Purchase Price.* Pursuant to the terms of the Jumer's Purchase Agreement, TRMG agreed to, following the conversion of each of Boatworks and Foodservice to an Illinois limited liability company, acquire all of the outstanding equity securities of Boatworks (the "**Jumer's Transaction**") for an aggregate purchase price of \$120,000,000 in cash, subject to certain customary post-closing adjustments (the "**Jumer's Purchase Price**"). The Jumer's Purchase Price is also subject to increase for certain costs and fees associated with actions Bally's and TRMG may ask Jumer's

Seller and the Jumer's Acquired Companies to take prior to the closing of the Jumer's Transaction related to applying for, obtaining and maintaining Illinois sports betting licences and the design, construction, buildout and furnishing of a sportsbook.

- 14.47 *Closing Conditions; Regulatory Approvals.* The Jumer's Transaction is conditioned upon the satisfaction of customary closing conditions, including, among others: (i) expiration or termination of the applicable waiting period under the HSR Act; (ii) receipt of required regulatory approvals, including applicable gaming regulatory approvals; (iii) the accuracy of the representations and warranties of each party to the Jumer's Purchase Agreement as of closing; (iv) the performance in all material respects by the parties of their respective covenants under the Jumer's Purchase Agreement; and (v) in the case of the Jumer's Acquired Companies, the absence of any material adverse effect since the date of the Jumer's Purchase Agreement.
- 14.48 *Representations and Warranties, Covenants, and Indemnification.* The Jumer's Purchase Agreement contains customary representations and warranties and covenants (including with respect to post-closing indemnification) from Jumer's Seller and the Jumer's Acquired Companies as well as TRMG, the Parent and Bally's.
- 14.49 *Termination Rights.* In addition, the Jumer's Purchase Agreement contains certain termination rights, pursuant to which either party, in certain circumstances, may terminate the Jumer's Purchase Agreement, including (i) if there is a final determination by the applicable gaming authority not to issue the gaming approvals required to consummate the Jumer's Transaction, or TRMG withdraws its application for any such gaming approvals in response to a written communication from the applicable governmental authority indicating a likely or impending denial of such approvals; (ii) there is a final, non-appealable order preventing the consummation of the Jumer's Transaction; and (iii) if the Jumer's Transaction has not been consummated by 30 June 2021 (the "**Jumer's Outside Date**"), subject to three 1-month extensions that may be exercised by TRMG if all of the conditions to closing have been satisfied other than receipt of required gaming approvals. Each such extension increases the reverse termination fee payable by TRMG in certain termination scenarios by \$2,000,000. If the Jumer's Purchase Agreement is terminated because Bally's fails to timely file certain initial gaming regulatory approval applications or thereafter obtain applicable antitrust approvals or gaming regulatory approvals or, in certain circumstances, upon the occurrence of the Jumer's Outside Date, Jumer's Seller may be entitled to retain as a reverse termination fee a \$4,000,000 deposit previously paid by TRMG, which amount may be increased to \$6,000,000 or \$8,000,000 (or further increased as a result of TRMG exercising the options to extend the Jumer's Outside Date as described above) under certain scenarios as described in more detail in the Jumer's Purchase Agreement. In all termination scenarios, Jumer's Seller will be entitled to retain \$2,000,000 of the \$4,000,000 deposit.
- 14.50 *Closing.* Closing of the Jumer's Transaction remains pending subject to the satisfaction of the closing conditions detailed above.

Acquisition of Tropicana Evansville Casino and Sale and Leaseback Arrangement with Gaming & Leisure Properties

- 14.51 *Evansville Purchase Agreement.* On 27 October 2020, Bally's agreed with Caesars to acquire the Tropicana Evansville Casino in Evansville, Indiana, pursuant to the terms of an equity purchase agreement dated 27 October 2020 among Bally's, Caesars, and various of their affiliates (the "**Evansville Purchase Agreement**").
- 14.52 *Parties to the Evansville Purchase Agreement.* The Evansville Purchase Agreement was made and entered into as of 27 October 2020, by and among (i) Aztar Riverboat Holding Corporation, LLC an Indiana limited liability company ("**Aztar**"), (ii) Aztar Indiana Gaming Corporation, LLC, an Indiana limited liability company ("**Aztar Indiana**"), (iii) GLP Capital, L.P., a Pennsylvania limited partnership ("**GLP**"), and (iv) TRMG (TRMG or a newly formed Delaware corporation, limited liability company or limited partnership that is a direct or indirect subsidiary of Bally's (then TWRH) and designated by TRMG or Bally's for this purpose, the "**Evansville Buyer**", together with GLP, the "**Acquirors**"), (v) Caesars, and (vi) Gaming & Leisure Properties, Inc. ("**GLPI**") (together with Bally's, the "**Acquiror Parents**").
- 14.53 *Consideration.* Pursuant to the terms of the Evansville Purchase Agreement, TRMG agreed to acquire all of the outstanding equity interests of Aztar Indiana for an aggregate purchase price of \$140 million, subject to certain customary post-closing adjustments.

- 14.54 **Sale and Leaseback Agreements.** At the same time, an affiliate of GLPI agreed to acquire the real estate associated with the Tropicana Evansville Casino for \$340.0 million and lease it back to Bally's for \$28.0 million per year, subject to escalation. GLPI also agreed to acquire the real estate associated with Bally's Dover Downs casino for \$144.0 million and lease it back to Bally's for \$12.0 million per year, subject to escalation. Both leases are governed by a master lease agreement with GLPI which has an initial term of 15 years with four five-year renewal options (the "**Sale and Leaseback Agreements**").
- 14.55 *Closing Conditions; Regulatory Approvals.* Consummation of the transactions contemplated by each of the Evansville Purchase Agreement and the Sale and Leaseback Agreements are subject to customary conditions, including receipt of required regulatory approvals.
- 14.56 *Representations and Warranties, Covenants, and Indemnification.* Each of the Evansville Purchase Agreement and Sale and Leaseback Agreements contain representations and warranties, covenants, and indemnification provisions, in each case, that are consistent with an agreement of each such type.
- 14.57 *Termination.* If the Evansville Purchase Agreement is terminated in certain circumstances, including as a result of the failure of Bally's or GLP to obtain the required regulatory approvals (including gaming approvals) pursuant to the Evansville Purchase Agreement or Sale and Leaseback Agreements, as applicable, then Bally's and GLP may be obliged to pay a termination fee of \$16.8 million, on a joint and several basis.
- 14.58 *Closing.* Completion of the Evansville Purchase Agreement and Sale and Leaseback Agreements remains pending subject to the satisfaction of certain conditions described above.

Acquisition of Bet.Works

- 14.59 *Bet.Works Agreement.* On 18 November 2020, Bally's and Bet.works Corp. ("**Bet.Works**") entered into a definitive agreement pursuant to which Bally's will acquire Bet.Works (the "**Bet.Works Acquisition**").
- 14.60 *Consideration.* At closing, Bally's paid the shareholders of Bet.Works \$62.5 million in cash and 2,084,765 Bally's Shares, subject in each case to customary adjustments. The shareholders of Bet.Works may not transfer any Bally's Shares received in the Bet.Works Acquisition prior to the one-year anniversary of the closing and, for the next year thereafter, may transfer only up to 1% of Bally's common stock per quarter.
- 14.61 *Closing.* Bally's completed the Bet.Works Acquisition on 28 May 2021.

Tropicana Las Vegas

- 14.62 On 13 April 2021, Bally's entered into a term sheet pursuant to which agreed to purchase the Tropicana Las Vegas Hotel and Casino in Las Vegas, Nevada from GLPI (the "**Tropicana Las Vegas Acquisition**"). Bally's estimates the transaction to be valued at approximately \$300 million, \$300 million, being the aggregate of the purchase price the Non Land Assets and the Leaseback (each as defined below). The purchase price for the Tropicana property's non-land assets (the "**Non Land Assets**") is \$150 million. In addition, Bally's has agreed to lease the land underlying the Tropicana property from GLPI for an initial term of 50 years at annual rent of \$10.5 million, subject to increase over time. Bally's and GLPI will also enter into a sale-and-leaseback transaction relating to Bally's Black Hawk, Colorado and Rock Island, Illinois casino properties (the "**Leaseback**") for a cash purchase price of \$150 million payable by GLPI. The lease will have an initial annual fixed rent of \$12 million, subject to increase over time.

May 2019 Senior Secured Credit Facility

- 14.63 On 10 May 2019, Bally's entered into a credit agreement (the "**Credit Agreement**") with Citizens Bank, N.A., as administrative agent, (the "**Agent**"), and the lenders party thereto (the "**Credit Facility**"), consisting of a \$300 million Term B Loan facility (the "**Term Loan Facility**") and a \$250 million revolving credit facility (the "**Revolving Credit Facility**"). Bally's obligations under the Revolving Credit Facility will mature on 10 May 2024. Bally's obligations under the Term Loan Facility will mature on 10 May 2026. Beginning 30 September 2019, Bally's is required to make quarterly principal payments of \$750,000 on the Term Loan Facility on the last business day of each fiscal quarter. In addition, Bally's is required to make mandatory payments of amounts outstanding

under the Credit Facility with the proceeds of certain casualty events, debt issuances, and asset sales and, commencing with the fiscal year beginning 1 January 2020, Bally's is required to apply a portion of its excess cash flow to repay amounts.

- 14.64 Borrowings under the Credit Facility bear interest at a rate equal to, at Bally's option, either (1) LIBOR determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing, adjusted for certain additional costs and subject to a floor of 0.00% or (2) a base rate determined by reference to the greatest of the federal funds rate plus 0.50%, the prime rate as determined by the Agent, the one-month LIBOR rate plus 1.00%, and subject to a floor of 1.00%, in each case plus an applicable margin. In the event that the LIBOR rate is no longer available or no longer used to determine the interest rate of loans, Bally's and the Agent will amend the Credit Agreement to replace LIBOR with an alternate benchmark rate that has been broadly accepted by the syndicated loan market in the United States in lieu of LIBOR and until such amendment has become effective, loans will be based on the base rate. In addition, on a quarterly basis, Bally's is required to pay each lender under the Revolving Credit Facility a 0.50% commitment fee, in respect of commitments under the Revolving Credit Facility, which may be subject to one or more step-downs based on Bally's total net leverage ratio. As of 31 December 2020, the interest rate for the Term Loan Facility was 3.00%.
- 14.65 The Credit Facility allows Bally's to (i) establish additional Term B Loans and/or establish one or more new tranches of term loans and/or (ii) increase commitments under the Revolving Credit Facility and/or add one or more new tranches of revolving facilities, in an aggregate amount not to exceed the greater of (x) \$195 million and (y) 100% of consolidated EBITDA for the most recent four-quarter period plus or minus certain amounts as specified in the Credit Agreement, including an unlimited amount subject to compliance with a consolidated total secured net leverage ratio as set out in the Credit Agreement.
- 14.66 Bally's obligations under the Credit Facility are guaranteed by each of Bally's existing and future wholly owned domestic restricted subsidiaries, subject to certain exceptions, and are secured by a first priority lien on substantially all of Bally's and each of the guarantors' existing and future property and assets, subject to certain exceptions.
- 14.67 On 16 March 2020, Bally's borrowed under its Revolving Credit Facility the full available amount of \$250 million to increase its cash position and liquidity to facilitate financial flexibility in light of the then uncertainty in the global markets and Bally's business resulting from the COVID-19 pandemic. These borrowings were repaid as part of the increase in the Term Loan Facility mentioned below. As of 31 December 2020, there were \$35 million of outstanding borrowings under the Revolving Credit Facility.
- 14.68 On 9 March 2021, Bally's amended its Credit Agreement to increase the aggregate principal amount of the Revolving Credit Facility to \$325 million, an increase of \$75 million pursuant to an incremental revolving facility. Borrowings under the new incremental revolving facility will be subject to the same terms and conditions of the existing Revolving Credit Facility under the Credit Agreement. As at the Latest Practicable Date, no amounts are currently drawn from the Revolving Credit Facility.
- 14.69 The financial covenants under the May 2019 Senior Secured Credit Facility are follows:
- (A) Beginning 30 September 2019, Bally's is required to make quarterly principal payments of \$750,000 on the Term Loan Facility on the last business day of each fiscal quarter;
 - (B) In addition, Bally's is required to make mandatory payments of amounts outstanding under the Credit Facility with the proceeds of certain casualty events, debt issuances, and asset sales and, commencing with the fiscal year beginning 1 January 2020, Bally's is required to apply a portion of its excess cash flow to repay amounts outstanding under the Credit Facility.
 - (C) On 24 April 2020, Bally's and its lenders amended the financial covenants and certain other terms of the Credit Facility to provide financial covenant relief from the effects of the COVID-19 pandemic (the "**April 2020 Amendment**"). Until the period on which Bally's required to deliver its compliance statement and financial statements for the three months ending 31 March 2021 (the "**Leverage Ratio Covenant Relief Period**"), Bally's will not be required to comply with the maximum total net leverage ratio covenant. Instead, Bally's will be required to comply with a minimum liquidity covenant tested at the last day of each month during the Leverage Ratio Covenant Relief Period. Under the minimum liquidity requirement,

Bally's will be required to have unrestricted cash on hand at the end of each month in the following amounts: (i) \$75.0 million at 30 April 2020 and 31 May 2020, (ii) \$65.0 million at 30 June 2020, (iii) \$55.0 million at 31 July 2020, and (iv) \$50.0 million at each month-end thereafter through 31 March 2021.

- (D) Bally's will not be permitted to declare or pay dividends on Bally's common stock or make other restricted payments, complete investments or acquisitions (other than those previously announced or to which the lenders consent) during the Leverage Ratio Covenant Relief Period, and the interest rates on the Revolving Credit Facility borrowings are LIBOR + 2.75% during the Leverage Ratio Covenant Relief Period. Additionally, the amendment permanently changed the minimum LIBOR on the Revolving Credit Facility borrowings from 0.00% to 0.75%.
- (E) On 5 March 2021, Bally's and its lenders amended the financial covenants and certain other terms of its Credit Facility to provide deemed consolidated EBITDA numbers for certain fiscal quarters of 2021 and to permit the annualisation of consolidated EBITDA for the 2021 fiscal year for purposes of calculating compliance with the consolidated total net leverage ratio, to the extent Bally's is required to comply with it.
- (F) Effective as of 1 April 2021, the required revolving lenders agreed to terminate the Leverage Ratio Covenant Relief Period early so Bally's is no longer required to comply with the above restrictions. In addition, as a result of the April 2020 Amendment the maximum total net leverage ratio covenant Bally's is required to comply with at any time that revolving loans, swing loans and letters of credit (excluding up to \$2.5 million of letters of credit) exceed 30% of the total revolving commitments, was increased as follows: (i) for the fiscal quarter ending 31 March 2021, 6.25:1.00; (ii) for the fiscal quarter ending 30 June 2021, 6.00:1.00; (iii) for the fiscal quarter ending 30 September 2021, 5.75:1.00; (iv) for the fiscal quarter ending 31 December 2021, 5.50:1.00 and (v) for the fiscal quarter ending 31 March 2022 and each fiscal quarter thereafter, 5.00:1.00.

May 2020 Term Loan

- 14.70 On 11 May 2020, Bally's closed on an amendment to its Credit Facility to increase its Term Loan Facility by \$275 million. Borrowings under the increased portion of the Term Loan Facility will bear interest at LIBOR + 8.00% per annum with a 1.00% LIBOR floor through the 10 May 2026 maturity date. Following the amendment, Bally's repaid the full \$250 million outstanding under its Revolving Credit Facility.

6.75% Senior Notes due 2027

- 14.71 On 10 May 2019, Bally's issued \$400 million aggregate principal amount of 6.75% unsecured senior notes due 1 June 2027 (the "**Initial Notes**"). On 9 October 2020, Bally's issued an additional \$125 million aggregate principal amount of 6.75% unsecured senior notes due 1 June 2027 (the "**Additional Notes**" and, together with the Initial Notes, the "**Senior Notes**"). The Additional Notes, other than with respect to the date of issuance and issue price, are identical to the Initial Notes, and are treated as a single class with the Initial Notes for all purposes under the indenture governing the Senior Notes (the "**Indenture**"). Immediately after giving effect to the issuance and sale of the Additional Notes, Bally's had \$525 million in aggregate principal amount of Senior Notes outstanding. Interest on the Senior Notes is paid semi-annually in arrears on 1 June and 1 December. Bally's used a portion of the net proceeds from the Initial Notes, together with a portion of the proceeds from its Term Loan Facility, to repay borrowings under Bally's prior credit agreement (the "**Former Credit Facility**").
- 14.72 The Credit Facility and the Indenture each contain covenants that limit the ability of Bally's and its restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments, enter into certain transactions with affiliates, sell or otherwise dispose of assets, create or incur liens, and merge, consolidate or sell all or substantially all of Bally's assets, in each case, subject to certain exceptions and qualifications. In addition, if more than 30% of the capacity of the Revolving Credit Facility is utilized, as was the case at 31 March 2020 (but not 30 June 2020, 30 September 2020 or 31 December 2020), Bally's must comply with a maximum total net leverage ratio, which is currently set at 5.50:1.00. These covenants are subject to exceptions and qualifications

set forth in the Credit Facility and the Indenture, and as described below under “**Financial Covenant Relief**”, were modified as of 24 April 2020. Bally’s was in compliance with all such covenants as of 31 December 2020.

- 14.73 On 4 February 2021, Bally’s announced that it had obtained the consent of the Senior Notes holders to amend the indenture governing the Senior Notes. The amendment to the Indenture amended the “**Incurrence of Indebtedness and Issuance of Subsidiary Preferred Stock**” covenant contained in Section 4.09 of the Indenture to increase the fixed dollar prong of the credit facility basket from “\$745.0 million” to “\$975.0 million.” Except for this amendment, all the existing terms of the Senior Notes remain unchanged.
- 14.74 Bally’s may redeem some or all of the Senior Notes at any time prior to 1 June 2022 at a redemption price equal to 100% of the aggregate principal amount of the Senior Notes to be redeemed plus a “make-whole” premium and accrued and unpaid interest. In addition, prior to 1 June 2022, Bally’s may redeem up to 40% of the original principal amount of the Senior Notes with proceeds of certain equity offerings at a redemption price equal to 106.75% of the aggregate principal amount of such Senior Notes plus accrued and unpaid interest. On or after 1 June 2022, Bally’s may redeem some or all of the Senior Notes at the redemption prices set forth in the Indenture plus accrued and unpaid interest. The Senior Notes are subject to disposition and redemption requirements imposed by gaming laws and regulations of applicable gaming regulatory authorities.
- 14.75 The Senior Notes are guaranteed, jointly and severally, by each of Bally’s restricted subsidiaries that guarantee Bally’s obligations under the Credit Facility.

Interim Facilities Agreement

- 14.76 On 13 April 2021, Premier Entertainment and Premier Entertainment Parent, LLC entered into the IFA (as subsequently amended and restated pursuant to an amendment and restatement agreement dated 27 April 2021) with, among others, Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, Barclays Bank PLC, Citizens Bank, National Association, Truist Bank, Capital One, National Association and Fifth Third Bank, National Association as original interim lenders (the “**Original Interim Lenders**”), Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, Barclays Bank PLC, Citizens Bank, National Association, Truist Securities, Inc., Capital One, National Association and Fifth Third Bank, National Association as arrangers (the “**Arrangers**”) and Deutsche Bank AG, London Branch as interim facility agent (the “**Interim Facility Agent**”) and interim security agent. Premier Entertainment is a wholly owned subsidiary of Premier Entertainment Parent, LLC.
- 14.77 Under the terms of the IFA, the interim lenders agree to make available to Premier Entertainment: (a) an interim term loan facility in an aggregate amount equal to £1,435,000,000 (the “**UK Interim Sterling Credit Facility**”), which commitments were subsequently reduced to £949,537,111.29 in accordance with the terms of Interim Facilities Agreement following the deposit into escrow arrangements of certain proceeds from equity offerings of Bally’s); and (b) an interim term loan facility in an aggregate amount equal to €336,000,000 (the “**UK Interim Euro Credit Facility**”) and together with the UK Interim Sterling Credit Facility, the “**Interim Facilities**”). As at the Latest Practicable Date, there are no amounts drawn under the Interim Facilities.
- 14.78 To the extent any loans are drawn by Premier Entertainment under the Interim Facilities, the proceeds of such loans are to be applied towards (directly or indirectly), among other things, financing part of the aggregate consideration payable by Premier Entertainment pursuant to the Cash Offer under the Combination and/or refinancing or otherwise discharging certain existing indebtedness of the Gamesys Group.
- 14.79 The UK Interim Sterling Credit Facility is available to be utilised in Sterling and the UK Interim Euro Credit Facility is available to be utilised in Euros. The Interim Facilities are available to be drawn, subject to satisfaction of the conditions precedent set out in the IFA, from the date of the IFA to 11:59 p.m. on the last day of the Certain Funds Period (as defined below). Premier Entertainment and/or its affiliates intend to seek to negotiate and execute long-term financing agreements so as not to fund under the IFA.
- 14.80 Under the IFA, “**Certain Funds Period**” is defined as the period from (and including) the date of the IFA to (and including) 11:59 p.m. in London on the earliest of: (a) if the Combination is intended to be completed by way of the Scheme, the date on which the Scheme lapses (including,

subject to exhausting any rights of appeal, if a relevant court refuses to sanction the Scheme) or is withdrawn with the consent of the Panel in accordance with its terms (other than in any such case (i) where such lapse or withdrawal is as a result of the exercise of, or is followed within five (5) business days by, the announcement of the exercise of Bally's or Premier Entertainment's right to effect a switch from a Scheme to an Offer or (ii) it is otherwise to be followed within twenty (20) business days by an announcement made by Bally's or Premier Entertainment to implement the Combination by a different offer or scheme (as applicable) in accordance with the terms of the IFA); (b) if the Combination is intended to be implemented pursuant to an Offer, the date on which the Offer lapses, terminates or is withdrawn with the consent of the Panel, in accordance with its terms (other than in any such case (i) where such lapse, termination or withdrawal is as a result of the exercise of Bally's or Premier Entertainment's right to effect a switch from the Offer to a scheme of arrangement or (ii) it is otherwise to be followed within twenty (20) business days by an announcement made by Bally's or Premier Entertainment to implement the Combination by a different offer or scheme of arrangement (as applicable) in accordance with the terms of the IFA); (c) the date on which the Interim Facilities have been utilised in full or all of the interim commitments have been cancelled in full in accordance with the terms of the IFA; and (d) the date that is the first business day (the "**Outside Date**") following 27 April 2022, provided that, if the first drawdown under the Interim Facilities has occurred, the Outside Date will be the later of (i) the first Business Day falling after 27 April 2022 and (ii) the date falling ninety (90) days after the first drawdown of the Interim Facilities has occurred, or, in each case, such later time as agreed by the Arrangers (acting reasonably and in good faith).

- 14.81 The original maturity date of the Interim Facilities is ninety (90) days after the date on which the first drawdown of an Interim Facility occurs (by which date the Interim Facilities would need to be replaced and refinanced), provided that Premier Entertainment Parent, LLC may, by notice to the Interim Facility Agent and provided that no Major Event of Default (as defined in the IFA) is continuing, extend the original maturity date of the Interim Facilities to the date falling 364 days after the first date upon which an Interim Facility is drawn. The Interim Facilities may also be voluntarily cancelled at any time on two (2) business days' prior notice in writing to the Interim Facility Agent and may be voluntarily prepaid at any time on one (1) business day's prior notice in writing to the Interim Facility Agent.
- 14.82 The IFA contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, disposals, security, permitted holding company activity, dividends and share redemption, acquisitions and mergers and conduct of the Scheme (and/or Offer (if applicable), indemnities and events of default, each with appropriate carve-outs and materiality thresholds. If the representations and warranties given by Premier Entertainment and Premier Entertainment Parent, LLC in the IFA prove to be incorrect or misleading it will constitute an event of default under the IFA, in each case subject to appropriate carve-outs and materiality thresholds. It will also constitute an event of default if members of the Bally's Group cease to directly or indirectly own 100% of the issued equity share capital of Premier Entertainment Parent, LLC, Premier Entertainment Parent, LLC ceases to directly own and control 100% of the issued equity share capital of Premier Entertainment or at any time after the completion of the Combination, Premier Entertainment, together with Bally's ceases to directly own and control 100% of the issued equity share capital of Gamesys.
- 14.83 The rate of interest payable on any loan drawn under the Interim Facilities is the aggregate of the applicable margin plus (i) in the case of the UK Interim Sterling Credit Facility, SONIA, floored at 1%, and (ii) in the case of the UK Interim Euro Credit Facility, EURIBOR, floored at 1%. The applicable margins on the Interim Facilities are 2.5% per annum, provided that the applicable margin shall increase by an additional 0.25% per annum on each of the ninety (90), hundred and eighty (180) and two hundred and seventy (270) day anniversaries of the date of first drawdown of the Interim Facilities.
- 14.84 Arrangement and funding fees, among other fees, are also payable under the terms of the IFA and ancillary documentation.
- 14.85 As a condition precedent to the first drawdown of the Interim Facilities, the secured parties under the IFA have received the benefit of security including a New York law security agreement over all of the assets of each of Premier Entertainment Parent, LLC and Premier Entertainment.

- 14.86 Under the IFA, Premier Entertainment has agreed (amongst other things) that it: (a) will not waive or amend any term or condition relating to the Combination from that set out in the Rule 2.7 Announcement where it would be materially prejudicial to the interests of the interim lenders (taken as a whole) under the Interim Finance Documents (as defined in the IFA) subject to certain exceptions (including where an amendment or waiver is required or requested by the Panel or the Court, or reasonably determined by Premier Entertainment as being necessary or desirable to comply with the requirements or requests (as applicable) of the Takeover Code, the Panel or the Court or any relevant regulatory body or applicable law or regulation); and (b) if the Combination is effected by way of an Offer, will not declare the Offer to be unconditional as to acceptances at less than 75% of the issued ordinary share capital of Gamesys on a fully diluted basis (assuming exercise in full of all options, warrants and other rights to require allotment or issue of any shares in Gamesys, whether or not such rights are then exercisable), other than with the consent of all interim lenders.
- 14.87 The preceding summary of the Interim Facilities is qualified in its entirety by reference to the copy of such agreement as originally entered into on 13 April 2021 (and amended and restated on 27 April 2021) which is on display as required under Rule 26.1 of the Takeover Code and is published on Bally's website at <https://www.ballys.com/gamesys-documentation/>.

Bridge Commitment

- 14.88 On 13 April 2021, Premier Entertainment as borrower entered into a commitment letter (as subsequently amended and restated on 27 April 2021) with, among others, Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, Barclays Bank PLC, Citizens Bank, National Association, Truist Bank, Truist Securities, Inc., Capital One, National Association and Fifth Third Bank, National Association as commitment parties (the "**Bridge Loan Facilities Commitment Letter**"). Under the Bridge Loan Facilities Commitment Letter, the commitment parties agreed to provide the borrower with commitments for a senior secured debt financing consisting of: (a) a sterling bridge facility in an initial aggregate amount of up to £1,435,000,000 (the "**UK Bridge Sterling Credit Facility**"), which commitments were subsequently reduced to £949,537,111.29 in accordance with the terms of the commitment letter following the deposit into escrow arrangements of certain proceeds from equity offerings of Bally's; and (b) a euro bridge facility in an aggregate amount of up to €336,000,000 (the "**UK Bridge Euro Credit Facility**" and together with the UK Bridge Sterling Credit Facility, the "**Bridge Facilities**"). The commitments under the Bridge Loan Facilities Commitment Letter are subject to further reductions in such commitments in certain circumstances, including the deposit into escrow arrangements of proceeds from additional equity offerings of Bally's. As at the Latest Practicable Date, no amounts have been drawn under the Bridge Facilities.
- 14.89 To the extent any loans are drawn by Premier Entertainment under the Bridge Facilities, the proceeds of such loans are to be applied towards (i) if previously funded, repayment of amounts outstanding under the IFA and (ii) if the IFA has not been funded, to, among other things, finance directly and/or indirectly, in part, the Combination and/or refinance certain existing indebtedness of the Gamesys Group.
- 14.90 The UK Bridge Sterling Credit Facility is expected to be available to be utilised in Sterling and the UK Bridge Euro Credit Facility is expected to be available to be utilised in Euros. The Bridge Loan Facilities are expected to be available to be drawn, subject to satisfaction of the conditions precedent in the Bridge Loan Facilities Commitment Letter, on or prior to 11.59 p.m. on the last day of the Certain Funds Period (as defined therein). Such conditions precedent include, among others, (i) discharge of certain existing indebtedness of the Gamesys Group substantially concurrently with any extension of credit pursuant to the Bridge Loan Facilities and (ii) execution of definitive documentation with respect to the Bridge Loan Facilities (the "**Bridge Loan Facilities Definitive Documentation**") reflecting, among other things, the terms set forth in the term sheet attached to the Bridge Loan Facilities Commitment Letter. Premier Entertainment and/or its affiliates intends to seek to negotiate and execute long-term financing agreements so as not to fund under the Bridge Loan Facilities.
- 14.91 The rate of interest payable on any loan drawn under the Bridge Loan Facilities will be the aggregate of the applicable margin plus (i) in the case of the UK Bridge Sterling Credit Facility, SONIA, floored at 1%, and (ii) in the case of the UK Bridge Euro Credit Facility, EURIBOR, floored at 1%. The applicable margins on the Bridge Loan Facilities are 2.5% per annum, provided

that the applicable margin will increase by 0.25% per annum on each of the ninety (90), hundred and eighty (180) and two hundred and seventy (270) day anniversaries of the date of first drawdown of the Interim Facilities or the Bridge Loan Facilities (the “**Funding Date**”).

- 14.92 The final maturity date of the Bridge Loan Facilities is 364 days following the Funding Date (by which date the Bridge Loan Facilities would need to be replaced and refinanced). Voluntary reductions of the unutilised portion of the commitments under the Bridge Loan Facilities and prepayments of borrowing thereunder will be permitted at any time subject to customary exceptions and limitations. The Bridge Loan Facilities will require mandatory prepayments to be made with the net cash proceeds of certain asset sales, debt incurrences and equity issuances, subject to customary exceptions, reinvestment rights and minimums.
- 14.93 The Bridge Loan Facilities Commitment Letter provides that the Bridge Loan Facilities will be secured on a first priority basis by (i) an all-assets first-priority security agreement granted by Premier Entertainment Parent, LLC including a first-priority pledge of all the equity interests directly held by Premier Entertainment Parent, LLC in Premier Entertainment; (ii) an all-assets first priority security agreement granted by Premier Entertainment; (iii) a first-priority security interest granted by Premier Entertainment over all of the equity interests held by it in Gamesys and any intercompany loans advances to Gamesys or any of its subsidiaries; and (iv) by no later than 90 days after the date of completion of the Combination, or such later date as is agreed by the agent under the Bridge Facilities, security from each of the subsidiaries of Premier Entertainment required to grant security in respect of the Bridge Facilities, pursuant and subject to the agreed security principles appended to the Bridge Loan Facilities Commitment Letter.
- 14.94 The Bridge Loan Facilities Commitment Letter provides that the Bridge Loan Facilities Definitive Documentation will contain (i) customary affirmative covenants, including, among others, covenants regarding reporting requirements, payment of taxes and other obligations, compliance with applicable laws and regulations and the Scheme and (ii) customary negative covenants limiting the ability of Premier Entertainment and its subsidiaries to, among other things, grant liens, incur indebtedness, effect certain fundamental changes and to make certain asset dispositions. These affirmative and negative covenants are subject to certain customary qualifications and carve-outs. The Bridge Loan Facilities Commitment Letter further provides that the Bridge Loan Facilities Definitive Documentation will contain a financial covenant with regard to Premier Entertainment and its subsidiaries on a consolidated basis, which is tested as of the last day of each fiscal quarter, with the first quarterly covenant test to commence as of the last day of the first full fiscal quarter ending after the Funding Date. The financial covenant will require the net total leverage ratio (being the ratio of funded debt outstanding (net of unrestricted cash and cash equivalents) to adjusted EBITDA) to be not more than a specified level, to be set at a 35.0% cushion to adjusted EBITDA on a *pro forma* basis (after giving effect to the Combination) of Premier Entertainment and its subsidiaries for the most recently available four fiscal quarter period as of the Funding Date. The financial covenant will be subject to certain customary equity cure rights for a financing of this nature.
- 14.95 The Bridge Loan Facilities Commitment Letter further provides that the Bridge Loan Facilities Definitive Documentation will contain customary events of default, including, among others, the failure to make a payment of principal or interest due under the Bridge Facilities, the inaccuracy of representations or warranties in any material respect when made and breach of covenants, in each case subject to customary notice and cure provisions.
- 14.96 The preceding summary of the Bridge Loan Facilities Commitment Letter is qualified in its entirety: (i) by reference to the copy of such agreement as originally entered into on 13 April 2021 (and as amended and restated on 27 April 2021) which is on display as required under Rule 26.1 of the Takeover Code and is published on the Bally Corporation’s website at <https://www.ballys.com/gamesys-documentation/>; and (ii) by the proviso that the terms of the commitment letter will be superseded in all or part by the terms of the Bridge Loan Facilities Definitive Documentation.

GLPI Commitment Letter

- 14.97 In connection with the IFA, Bally’s entered into a commitment letter (the “**GLPI Commitment Letter**”) with GLPI, a publicly traded gaming focused real estate investment trust under which GLPI committed to purchase Bally’s Shares, or, subject to US regulatory requirements, warrants, with a value of up to \$500 million. The Bally’s Shares will be valued based on the volume weighted average sales price of Bally’s Shares for the 20 trading days before issue. GLPI may elect to fund its commitment to Bally’s, rather than by acquiring equity in Bally’s, in the form of an advance

deposit of the purchase price payable by GLPI in connection with prepaid sale leaseback transaction(s) with respect to certain designated Bally's properties, or in the form of one or more interest-bearing loan instruments that will be secured by Bally's real estate assets on a subordinated basis. Any equity raise by Bally's in excess of \$850 million reduces the GLPI commitment on a dollar for dollar basis.

Operating Leases

- 14.98 Hard Rock Biloxi entered into an agreement with the State of Mississippi dated 30 September 2007 for the lease and use of approximately five acres of submerged tidelands for a primary term of 30 years, expiring 30 September 2037. Upon expiration of the primary term, Hard Rock Biloxi will have an option to extend the lease for a renewal term of 30 years; the renewal option has not been included in the calculation of the lease liability or right of use asset as the Corporation is not reasonably certain to exercise the option. Annual rent for the lease, as of 31 December 2020, is approximately \$1.2 million and adjusts annually by the increase in the consumer price index ("CPI"). Future changes to the CPI are treated as variable lease payments and are recognized in the period in which the obligation for those payments is incurred.
- 14.99 Hard Rock Biloxi entered into a Lease and Air Space agreement dated 18 November 2003 with the City of Biloxi. The agreement grants the Corporation rights to a parking area, and to the airspace above two defined parcels of land along with certain support structure rights for the construction of a parking garage. The arrangement has a 40-year term expiring 18 November 2043 with one 25-year renewal option at the Corporation's option; the renewal option has not been included in the calculation of the lease liability or right of use asset as the Corporation is not reasonably certain to exercise the option. Monthly rent escalates every five years based on CPI, and we are responsible for property taxes. Future changes to the CPI are treated as variable lease payments and are recognised in the period in which the obligation for those payments is incurred.
- 14.100 In connection with the acquisition of the Isle of Capri Casino in Kansas City, Missouri, the Corporation is party to a sublease with the Port Authority of Kansas City, Missouri dated 21 August 1995, which has leased the property from the City of Kansas City. Bally's sublease expires on 18 October 2021, but on that date will automatically renew for five additional periods of five years each. The lease agreement provides for minimum annual rent paid in advance and subject to increases in the CPI every five years. Current minimum annual rent payments are \$3.1 million per year. In addition, the agreement calls for quarterly percentage rent payments equal to 3.25% of gross revenues, less the minimum annual rent payment. IOC-Kansas City, Inc. is obliged to operate the Isle of Capri Casino at all times. If IOC-Kansas City, Inc. fails to do so, it must pay the Port Authority, in lieu of percentage rent, a sum equal to 50% of the then-applicable base rent during the time Isle of Capri Casino is not operating.
- 14.101 In connection with the acquisition of Eldorado Shreveport Resort and Casino, the Corporation is party to a ground lease with the City of Shreveport, Louisiana dated 19 May 1999. The Corporation's initial lease will expire on 30 November 2021, but as of that date the Corporation can renew for five additional periods of five years each. The renewal options have been included in the measurement of the lease liability as the Corporation has determined it is reasonably certain of exercising the options. The lease agreement provides for minimum annual rent, subject to 15% increases with each renewal term. In addition, the agreement calls for monthly percentage rent of 1.0% of adjusted gross revenues, subject to an annual minimum of \$0.5 million.

Hard Rock Licence Agreement

- 14.102 Under the Hard Rock Licence Agreement dated 10 July 2014 which runs through September 2025, with the option to renew for two successive ten-year terms, Bally's is obliged to pay an annual fee plus fees based on non-gaming revenues and Bally's is obliged to pay a "Continuing Fee" equal to 3% of the Licensing Fee Revenues (as defined in the Hard Rock Licence Agreement) and a marketing fee equal to 1% of the Licensing Fee Revenues during the term of the agreement. A copy of the Hard Rock Licence Agreement is attached to Bally's Form 10-K for the financial year ended 31 December 2020.

Master Video Lottery Terminal Contract

- 14.103 The master video lottery terminal contract between the Corporation and the Division of Lotteries for the State of Rhode Island and the State of Rhode Island Department of Transportation dated 18 July 2005 (and most recently amended on 18 September 2018, the “**Master Video Lottery Terminal Contract**”) governs the licensing and operation of video lottery terminals by the Bally’s Group in Rhode Island and the payment of amounts by the State of Rhode Island to the Bally’s Group in respect of sums generated by such video lottery terminals.
- 14.104 The current term for the Twin River Casino Hotel contract with the Division of Lotteries of the Rhode Island Department of Revenue dated 13 September 2018 ends on 17 July 2025, with one additional five-year option subject to Twin River Casino Hotel meeting minimum employment requirements.
- 14.105 The current term for the Tiverton Casino Hotel contract with the Division of Lotteries of the Rhode Island Department of Revenue dated 13 September 2018 ends on 23 November 2025, with one additional five-year option subject to meeting minimum employment requirements. The contract was automatically assigned, pursuant to Rhode Island law, from Newport Grand to Tiverton Casino Hotel upon commencement of gaming operations at the new facility.

Regulatory Agreement

- 14.106 For details of the Regulatory Agreement, see Part VIII (“**Information on Bally’s**”).

Gamesys Group

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Gamesys or another member of the Gamesys Group (i) within the two years immediately preceding the date of this Prospectus which are or may be material to the Gamesys Group or (ii) which contain provisions under which any member of the Gamesys Group has an obligation or entitlement which is material to the Gamesys Group as at the date of this Prospectus.

Confidentiality Agreement

- 14.107 See paragraph 20 of Part VII (“**Details of the Combination**”).

Confidentiality and Joint Defence Agreement

- 14.108 See paragraph 20 of Part VII (“**Details of the Combination**”).

Co-operation Agreement

- 14.109 See paragraph 20 of Part VII (“**Details of the Combination**”).

Gamesys Material Contracts

Gamesys Debt Arrangements

- 14.110 On 6 December 2017, Gamesys Group (then called Jackpotjoy plc) entered into a senior facilities agreement between, among others, Macquarie Corporate Holdings PTY Limited (UK Branch) and Nomura International PLC as mandated lead arrangers (the “**Mandated Lead Arrangers**”), Corporate Holdings PTY Limited (UK Branch) and Nomura International PLC as lenders, Global Loans Agency Services Limited as agent and GLAS Trust Corporation Limited as security agent (as amended from time to time, the “**Senior Facilities Agreement**”), pursuant to which debt financing was made available to Gamesys and certain of its subsidiaries in an aggregate Sterling equivalent amount of £388,492,000, comprising: (i) the €140 million term loan (the “**EUR TLB Loan Facility**”); (ii) the £250 million term facility (the “**GBP TLB Loan Facility**”, and together with the EUR TLB Loan Facility, the “**Term Facilities**”); and (iii) the £13.5 million revolving credit facility (“**Revolving Credit Facility**”) subject to the satisfaction of certain conditions. The Revolving Credit Facility and the Term Facilities were arranged by the Mandated Lead Arrangers. Proceeds from the Revolving Credit Facility can be applied to, among other things, working capital and general corporate purposes and financing or refinancing capital expenditure. The Term Facilities and the Revolving Credit Facility were originally underwritten by the Mandated Lead Arrangers prior to syndication. The Term Facilities were subsequently syndicated to a range of institutional lenders, including several credit funds and are tradeable on the secondary loan market. The majority of the lending commitments in respect of the Revolving Credit Facility continue to be held by the Mandated Lead Arrangers.

- 14.111 Gamesys Group is a borrower of the GBP TLB Loan Facility. Luxembourg Investment Corporation 192 S.à.r.l. (an indirect subsidiary of Gamesys) (“**Luxco**”) is the borrower of the EUR TLB Loan Facility. Gamesys and Luxco are borrowers under the Revolving Credit Facility.
- 14.112 The transactions contemplated by the Senior Facilities Agreement were completed on 14 December 2017. The Term Facilities (excluding the Additional Facility (as defined below)) were drawn in full and the proceeds from the Term Facilities (excluding the Additional Facility) were used to repay the loan facilities of The Intertain Group Limited (which became an indirect subsidiary of Gamesys as a result of Gamesys (then called Jackpotjoy plc) moving its listing from Canada to the UK in January 2017) comprising: (i) an approximately £53.3 million incremental first lien term facility; (ii) a €20 million first lien term loan facility; and (iii) a £90 million second lien term loan facility, each of which The Intertain Group Limited had obtained pursuant to first and second lien credit agreements (the “**Previous Credit Facilities**”).
- 14.113 On 13 June 2019, Gamesys (then called JPJ Group plc) entered into an additional term loan facility commitment under its existing Senior Facilities Agreement pursuant to which each of the Mandated Lead Arrangers, Corporate Holdings PTY Limited (UK Branch) and Nomura International PLC as lenders severally and not jointly agreed to provide to Luxco aggregate additional commitments of the euro equivalent of £175 million under the EUR TLB Loan Facility (the EUR TLB Loan Facility as subsequently increased pursuant to such commitment, the “**Additional Facility**”). The Additional Facility was provided in connection with the financing of the cash consideration payable to the relevant shareholders pursuant to the acquisition of Gamesys (Holdings) Limited by Gamesys Group (the “**Gamesys Acquisition**”). The Additional Facility was originally underwritten by the Mandated Lead Arrangers. The Additional Facility was subsequently syndicated to a range of institutional lenders, including several credit funds and is tradeable on the secondary loan market.
- 14.114 On 26 September 2019, the Gamesys Acquisition completed and Gamesys drew down €196.0 million under the Additional Facility. The proceeds of the Additional Facility were applied in connection with the financing of the cash consideration payable pursuant to the relevant shareholders pursuant to the Gamesys Acquisition.
- 14.115 If a change of control of Gamesys Group occurs, then each lender under the Senior Facilities Agreement will have an individual right to cancel its commitments and require all amounts owed to it to be prepaid at par on 30 days’ written notice. Such right is exercisable by a lender within 30 days of being notified of a change of control (such obligation to notify arising following a change of control occurring). No discussions with lenders under the Senior Facilities Agreement have taken place to date nor are expected to take place prior to completion of the Combination regarding a change in control arising out of the Combination). The Combination is expected to result in a change of control of Gamesys, however Bally’s financing arrangements in connection with the Combination are sufficient to provide for Gamesys’ existing debt to be refinanced.
- 14.116 The Term Facilities (including the Additional Facility) are non-amortising and mature in December 2024 and the Revolving Credit Facility matures in December 2023.
- 14.117 On 6 February 2020, the Term Facilities (including the Additional Facility) and the Revolving Credit Facility were repriced to lower the applicable interest margin by 0.50% while maintaining the step downs based on reduction in SSLR (as defined below).
- 14.118 As a result of the above, the EUR TLB Loan Facility (including the Additional Facility) now has an interest rate of EURIBOR (subject to a 0% floor) plus an opening margin of 3.75% per annum, subject to a margin ratchet with step downs of 0.25% to 3.0% based on reductions in the senior secured net leverage ratio (“**SSLR**”) and meeting certain ratings requirements. The GBP TLB Loan Facility now has an interest rate of LIBOR (subject to a 0% floor) plus an opening margin of 4.75% per annum, subject to a margin ratchet with step downs of 0.25% to 4.00% based on reductions in SSLR and meeting certain ratings requirements. The Revolving Credit Facility now has an interest rate of EURIBOR (for Euro loans, with a 0% floor) or LIBOR (for GBP loans, with a 0 per cent floor), plus, in each case, an opening margin of 3.75% per annum, subject to a margin ratchet with step downs of 0.50% to 2.75% based on reductions in the SSLR.
- 14.119 The Senior Facilities Agreement contains certain restrictions on, among other things, asset disposals, debt incurrence, loans and guarantees, joint ventures and acquisitions, subject in each case to various permissions. The Senior Facilities Agreement also imposes an SSLR maintenance covenant for the benefit of lenders under the Revolving Credit Facility. (“**SSLR Covenant**”). The SSLR Covenant is

tested on each quarter date on which the aggregate amount of certain cash drawings under the Revolving Credit Facility exceeds 35% of the total commitments under the Revolving Credit Facility and, when tested, requires Gamesys to ensure that the SSLR on the relevant testing date is not greater than 4.60:1.

Primary Sale Agreement

14.120 On 13 June 2019, a conditional sale and purchase agreement in respect of the entire issued share capital of Gamesys Group (Holdings) Limited (then called Reunited Target Newco Limited) (“**Gamesys Acquisition Target Group Holdco**” or “**TGH**”) was entered into between Noel Hayden, Andrew Dixon, Robin Tombs, Lee Fenton, Robeson Reeves and Michael Mee (the “**Majority Selling Shareholders**”) and Gamesys Group (then called JPJ Group plc) (the “**Primary Sale Agreement**”). TGH was the holding company of a group of companies comprising the Gamesys Acquisition Target Business (the “**Gamesys Acquisition Target Business**” or “**GATB**”, being the entirety of the business, assets and liabilities historically comprised within the legacy Gamesys group (the “**Legacy Gamesys Group**”), except the business, assets and liabilities relating to: (i) the “Virgin Bet” branded sports betting business of the Legacy Gamesys Group and the “Livescore” sports data and media business (together the “**Residual Sports Business**”); (ii) the non-bingo games studio and supply business of the Legacy Gamesys Group, together with a minority equity investment in a Norwegian games technology business and a minority equity investment in a US sports betting business, including their respective associated assets and liabilities (the “**Residual Content Business**”); and (iii) certain other immaterial subsidiaries of the Legacy Gamesys Group (together with the Residual Sports Business and the Residual Content Business, the “**Residual Business**”). Pursuant to the Primary Sale Agreement, the Majority Selling Shareholders agreed conditionally to sell, and to procure the sale of, the entire issued share capital of TGH to Gamesys Group.

14.121 The outstanding material and principal terms of the Primary Sale Agreement are set out below.

Consideration

14.122 Under the Primary Sale Agreement, £10 million of the cash component of the Gamesys Acquisition consideration is payable 30 months after 26 September 2019. The key provisions in respect of the £10 million payable by Gamesys Group in cash to the TGH shareholders 30 months after 26 September 2019 (the “**Deferred Consideration**”) are:

- (a) interest shall accrue on the Deferred Consideration at a rate of LIBOR + 5% per annum; and Gamesys Group may, at its sole discretion, pay the Deferred Consideration and any interest accrued into the £20 million of the cash component of the Gamesys Acquisition consideration which is held in an escrow account administered by an independent third-party escrow agent (the “**Escrow Account**”) at any time prior to the date falling 30 months from 26 September 2019, whereupon such funds are held on the terms of the Escrow Account.

Escrow and right of withholding and set-off

14.123 £20 million of the upfront cash component of the Gamesys Acquisition consideration is being held in the Escrow Account for a period of 30 months following 26 September 2019. The amount held in escrow will be used to satisfy any *bona fide* claims (other than claims that are covered by warranty and indemnity insurance as described in paragraph 14.126 (*Gamesys Warranty and Tax Deed*)) below against the TGH shareholders under any of the Gamesys Warranty and Tax Deed, the Primary Sale Agreement and any other agreement to be entered into in connection with either the Warranty and Tax Deed and/or the Primary Sale Agreement (the “**Gamesys Acquisition Transaction Documents**”). If there are no such claims outstanding on the date falling 30 months after 26 September 2019, then the balance of the amount held in escrow at such time will be paid to the TGH shareholders. If there are any such claims outstanding then, until such claims are resolved, an amount may be retained in the Escrow Account equal to Gamesys Group’s *bona fide* and reasonable estimate of the aggregate value of such claims, provided that Gamesys Group complies with a customary mechanism whereby a barrister is required to opine on the prospect of success of the relevant claims and, if practicable, the amount to be withheld in respect of such claims.

14.124 If a claim arises against any of the TGH shareholders under any Gamesys Acquisition Transaction Document, Gamesys Group has a right to withhold from any payment it owes to the TGH shareholders following 26 September 2019 an amount equal to Gamesys Group’s *bona fide* and

reasonable estimate of the aggregate value of such claims, provided that Gamesys Group complies with a customary mechanism whereby a barrister is required to opine on the prospect of success of the relevant claims and, if practicable, the amount to be withheld in respect of such claims.

Governing Law

14.125 The Primary Sale Agreement is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

Gamesys Warranty and Tax Deed

14.126 On 13 June 2019, the Gamesys Warranty and Tax Deed was entered into among Gamesys Group, the Majority Selling Shareholders and Phillip Graham in connection with the Gamesys Acquisition. Pursuant to the Gamesys Warranty and Tax Deed, the Majority Selling Shareholders agreed to give Gamesys Group certain warranties and indemnities in connection with the Gamesys Acquisition, and Noel Hayden, Lee Fenton, Michael Mee, Robeson Reeves and Phillip Graham (the “**Covenantors**”) agreed to give certain restrictive covenants. The principal terms of the Warranty and Tax Deed are set out below.

Warranties

14.127 The Majority Selling Shareholders gave customary title, capacity and business warranties in relation to TGH (and in respect of any member of the Gamesys Group to the extent it transferred any assets or liabilities to TGH as part of its reorganisation prior to 26 September 2019 (the “**Gamesys Group Reorganisation**”)) (the “**Warranties**”). The Warranties were given as at the date of the Gamesys Warranty and Tax Deed and were deemed to be repeated again at 26 September 2019. The Warranties were given subject to disclosures made by the Majority Selling Shareholders as at the date of the Gamesys Warranty and Tax Deed and were also given subject to supplemental disclosures given at 26 September 2019. The Gamesys Group gave customary title and capacity warranties and warranties in relation to the accuracy and completeness of certain information contained in this document to the extent that such information relates to the Gamesys Group.

Indemnities

14.128 The Gamesys Warranty and Tax Deed contains certain indemnities from the Majority Selling Shareholders to Gamesys Group in respect of, among other things, specific investigations of the Great Britain Gambling Commission, the allocation of the Gamesys Acquisition consideration between the TGH shareholders, historic liabilities under the real money gaming operating agreement entered into by Fifty States (Gibraltar) Limited (“**Fifty States Gibraltar**”) on 24 March 2015 with Gamesys Operations Limited (then called Gamesys Operations Limited) (as novated by Fifty States Gibraltar to Jackpotjoy Operations Ltd. on 17 April 2015 and as amended on 5 September 2016 by deeds of amendment), pursuant to which Gamesys Gibraltar provided to the Gamesys Group certain operational, financial, marketing, player services and support services for the real money gambling activities carried out by Gamesys Gibraltar and certain of its subsidiaries by exploiting certain of the assets comprised within the Jackpotjoy, Starspins and Botemania brands, together with associated rights in or ownership of player data related to such brands, trademarks, domain names and certain other related intellectual property rights for up to 15 years (the “**Operating Agreement**”) and residual liability under the agreement dated 19 December 2017 between (i) Whois Privacy & Proxy Inc, VIQI Inc, Livescore Limited, Minelytix S.R.O. and Livescore S.R.O., (as sellers); (ii) LS Services Limited, S.R.O., Hanist Limited, Iawa Limited (as buyers); and (iii) the legacy Gamesys Limited (as guarantor), together with any amendment(s) or applicable agreements which may result in any payment from, or any liability to, any member of the group of companies that now hold all assets and liabilities comprised within GATB, the ultimate holding company of which is Gamesys Group (Holdings) Limited (then called Reunited Target Newco Limited) which is owned by the TGH shareholders at any time (the “**Livescore Acquisition Agreement**”).

Tax

14.129 The Majority Selling Shareholders gave customary tax warranties and indemnities in relation to the Gamesys Group or TGH. The tax warranties were given as at the date of the Gamesys Warranty and Tax Deed and were deemed to be repeated as at 26 September 2019. The tax warranties were given subject to disclosures made by the Majority Selling Shareholders at the date of the Gamesys

Warranty and Tax Deed and were also subject to supplemental disclosures given at 26 September 2019. The tax indemnities were given at the date of 26 September 2019 and were not subject to disclosure.

Restrictive Covenants

14.130 Each of the Covenantors, on a several basis, gave various restrictive covenants under the terms of the Gamesys Warranty and Tax Deed, including restrictions on:

- (A) the Residual Content Business and the “Residual Sports Business” offering or marketing bingo products to end users located in the UK, Spain, Sweden and New Jersey, USA (the “**Restricted Territories**”) for the period of three years from 26 September 2019;
- (B) the Residual Content Business supplying certain of its existing online games (which are high earning games classified as “**Tier 1**” games) to any person in the Restricted Territories other than the Gamesys Group for the period of three years from 26 September 2019;
- (C) the Residual Content Business supplying certain of its existing online games (which are lower earning games classified as “**Tier 2**” games) to any person in the Restricted Territories other than the Gamesys Group or the Residual Sports Business (for use on the Virgin Bet site) for the period of three years from 26 September 2019;
- (D) competing with the whole or part of the GATB as carried out at 26 September 2019 in the Restricted Territories for the period of three years from 26 September 2019; this restriction does not apply to the activities of the Residual Content Business or the Residual Sports Business (being the business of making available online bingo, slots, casino, live casino, and/or poker games to consumers in any of the Restricted Territories);
- (E) the employment or engagement of certain key employees of the GATB for the period of three years from 26 September 2019;

actively targeting the customers in the Restricted Territories of the Gamesys Group online gaming websites (as at 26 September 2019) for the period of three years from the date of 26 September 2019;

taking over the operation of certain partner branded websites for the period of five years from the date of 26 September 2019; and

providing bingo on the Virgin Bet website for the period of five years from the date of 26 September 2019.

14.131 The restrictions provided by the Covenantors were provided subject to certain carve-outs and permitted exemptions, and the liability of each Covenantor is several and subject to an individual liability cap.

Warranty and Indemnity Insurance

14.132 Warranties and indemnities were given by the Majority Selling Shareholders in the Gamesys Warranty and Tax Deed. Gamesys Group entered into warranty and indemnity insurance policies with Hunter George & Partners Limited and Ambridge Europe Limited which provide aggregate coverage of £150 million (the “**W&I Policies**”). Certain subject areas are excluded from the scope of the W&I Policies, including the specific indemnities given by the Warranties, known risks which were disclosed by the Majority Selling Shareholders, de-grouping charges, transfer pricing, secondary tax liabilities and any liability relating to data protection laws. Any liabilities arising in these areas would not be covered by the W&I Policies, and therefore recovery would only be against the Majority Selling Shareholders, directly or indirectly, through set-off of amounts due and payable under any of the Gamesys Acquisition Transaction Documents or deductions from the Escrow Account. In respect of matters to which the W&I Policies apply, the liability of the Majority Selling Shareholders is limited to £2,250,000. In respect of claims to which the W&I Policies do not apply, the liability of the Majority Selling Shareholders is limited to £50,000,000. To the extent that recovery is obtained from the Gamesys Majority Limited Shareholders directly (and not indirectly through set-off of amounts under the Gamesys Acquisition Transaction Documents or deductions from the Escrow Account), the Majority Selling Shareholders liability will be several and proportionate to their entitlement to consideration under the Gamesys Acquisition.

Governing Law

14.133 The Gamesys Warranty and Tax Deed is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

Amended and Restated Virgin TMLAs

- 14.134 The Legacy Gamesys Group and its wholly-owned subsidiary Nozee Limited (which has since transferred its interest in the Virgin Agreement to Gamesys Operations Limited as part of an internal restructuring, the “**Gamesys Party**”) entered into an agreement with Virgin Enterprises Limited on 29 January 2013 (as amended and restated on 9 May 2014, and amended on 26 June 2013 and 14 November 2018) for the operation of online gaming, under the names Virgin Games, Virgin Bet and Virgin Casino, of: (i) real money online gaming and betting on a worldwide basis (but excluding New Jersey, USA, and those territories in which such activities are not legally permitted or in which the Gamesys Party does not hold the requisite licences); and (ii) social gaming and betting on a worldwide basis (excluding the Middle East) (the “**Virgin Agreement**”).
- 14.135 The Legacy Gamesys Group also entered into an agreement with Virgin Enterprises Limited on 21 November 2013 (and amended on 26 November 2016) for the operation of online gaming under the name Virgin Casino in the state of New Jersey, USA (the “**Virgin NJ Agreement**”).
- 14.136 On 12 June 2019, a deed relating to the Virgin Agreement and the Virgin NJ Agreement was entered into between Virgin Enterprises Limited, Nozee Limited, the legacy Gamesys Limited, Gamesys Group, Virgin Bet Limited, Reunited Holdings Limited (“**Residual Business Holdco**”) and Livescore Sports & Media Limited pursuant to which it was agreed that a number of agreements would be automatically entered into relating to the Virgin Agreement and the Virgin NJ Agreement (including amendments being made to these existing agreements and the entry into the Virgin Bet TMLA) (as defined below) (the “**Virgin All Parties Agreement**”).
- 14.137 Under the Virgin All Parties Agreement, an agreed form of a deed of amendment and restatement to the Virgin Agreement was entered into between Virgin Enterprises Limited, Nozee Limited, Gamesys Group and the legacy Gamesys Limited which permits the Gamesys Party to operate: (a) real money online gaming; and (b) online betting (excluding sports betting and esports betting) on an ancillary basis to online gaming, in each case on a worldwide basis (but excluding New Jersey, USA, and any territories in which such activities are not legally permitted or in which the Gamesys Party does not hold the requisite licences) under the names Virgin Games and Virgin Casino; and social gaming on a worldwide basis (excluding the Middle East) under the name Virgin Games (the “**Amended and Restated Virgin TMLA**”). Under the Virgin All Parties Agreement, an agreed form of a deed of amendment and restatement to the Virgin NJ Agreement was also entered into between Virgin Enterprises Limited and the legacy Gamesys Limited, which from 26 September 2019 permits Gamesys to continue to operate real money online gaming and offer real money online betting (excluding sports betting and esports betting) on an ancillary basis to online gaming, and social betting (excluding sports betting and esports betting) under the Virgin Casino name in New Jersey, USA (the “**Amended and Restated New Jersey TMLA**”). For these purposes, offering online betting on an ancillary basis to online gaming means that any website which offers online betting must also offer online gaming.
- 14.138 At the same time as the Amended and Restated Virgin TMLA and Amended and Restated New Jersey TMLA were entered into, the Virgin All Parties Agreement also provided that an agreed form of a new trade mark licence agreement, to be entered into between Virgin Enterprises Limited, Virgin Bet Limited and Residual Business Holdco (the “**Virgin Bet TMLA**”), which permits Virgin Bet Limited under the main name Virgin Bet to operate real money: (a) online betting; (b) social betting; and (c) online gaming (excluding bingo type products) on an ancillary basis to online betting, all on a worldwide basis (but excluding territories in which such activities are not legally permitted or in which Virgin Bet Limited does not hold the requisite licences). For these purposes, offering online gaming on an ancillary basis to online betting means that any website which offers online gaming must also offer online betting.
- 14.139 The Amended and Restated Virgin TMLA and Amended and Restated New Jersey TMLA essentially grant the Gamesys Party and Gamesys, respectively, exclusive rights to use the Virgin Games and Virgin Casino marks on the terms summarised below.

- 14.140 The rights granted to the Gamesys Party under the Amended and Restated Virgin TMLA are subject to certain exceptions: (i) the Gamesys Party is not permitted to operate land-based casinos, bingo halls, scratch cards or lotteries using the Virgin brands; and (ii) the Gamesys Party is not permitted to operate real money online sports betting or social sports betting using the Virgin brands (such rights currently being provided to Virgin Bet Limited under the Virgin Bet TMLA).
- 14.141 The Amended and Restated Virgin TMLA provides that the Gamesys Party is required to pay Virgin Enterprises Limited a royalty share in respect of real money revenues generated in each territory (based on net online gaming revenue) and social gaming revenues generated worldwide. Minimum annual revenue requirements apply to real money online gaming in the UK and US, but not in any other territories and not in respect of social gaming. the Gamesys Party is required to make top-up payments each quarter if the revenues in the UK and the US fall below these minimum requirements. the Gamesys Party is permitted to roll forward negative revenue in any quarter for a particular territory to a subsequent quarter in the same contract year (but any negative revenue cannot be applied to another territory or between real money gaming and social gaming).
- 14.142 The Amended and Restated Virgin TMLA contains a wide-range of provisions designed to safeguard the Virgin brand, and control how it may be used by Nozee Limited. The Gamesys Party is required to establish a strategy and brand board which includes at least one senior Virgin Enterprises Limited representative.
- 14.143 This board is required to meet at least once every six months, and reviews the performance and strategy of the Virgin Games business, as well as the Virgin Casino business pursuant to the Amended and Restated New Jersey TMLA. In addition, the Gamesys Party agrees to use the brands in accordance with a brand strategy plan agreed with Virgin Enterprises Limited. Further, a joint brand and strategy board was formed comprising representatives of the Gamesys Party, Virgin Bet Limited and Virgin Enterprises Limited and met in February 2021. It is expected to meet on an annual basis.
- 14.144 This joint brand and strategy board will review the use of the brands across the Amended and Restated Virgin TMLA, the Amended and Restated NJ TMLA and the Virgin Bet TMLA.
- 14.145 The Gamesys Party is required to consult reasonably and in good faith with Virgin Enterprises Limited and take into consideration the reasonable opinions of Virgin Enterprises Limited.
- 14.146 The Gamesys Party is required to consult with Virgin Enterprises Limited before entering any new territory and provide Virgin Enterprises Limited with its proposed business plan. The Gamesys Party is required to obtain Virgin Enterprises Limited's consent (not to be unreasonably withheld, conditioned or delayed) in order to establish any sales office to carry out any activities in relation to the licenced activities outside those territories it is permitted to provide online gaming under the Virgin brands in from time to time (save in respect of Malta, Gibraltar, the UK, the USA, Canada and Spain).
- 14.147 Prior approval from Virgin Enterprises Limited is required in relation to the use of Virgin branding in all above the line creative advertising or marketing campaigns (i.e. TV, press, print, outdoors and digital).
- 14.148 The Gamesys Party must also use reasonable endeavours to incorporate any reasonable comments made by Virgin Enterprises Limited's creative council on significant creative campaigns. Any advertising or marketing featuring Richard Branson requires prior approval.
- 14.149 The Amended and Restated Virgin TMLA contains mutual warranties. Gamesys Group provided a parent company guarantee in respect of the Gamesys Party's obligations subject to an agreed additional aggregate cap on Gamesys Group's liability. In addition, the Gamesys Party has given certain indemnities, which are generally uncapped. There are mutual liability caps which apply per annum and over the life of the contract.

Termination

- 14.150 The Amended and Restated Virgin TMLA is due to expire in November 2038. Provided that certain conditions are satisfied, the agreement provides for two automatic five-year extensions.
- Virgin Enterprises Limited may terminate the Amended and Restated Virgin TMLA immediately (including in respect of a country or state, only to the extent that the applicable grounds of termination relate to that country or state), if:

- Virgin Enterprises Limited has reasonable grounds to believe that as a result of a breach of the Amended and Restated Virgin TMLA or of applicable law, the use of the Virgin name, logos and approved marks by the Gamesys Party pursuant to the Amended and Restated Virgin TMLA or the Gamesys Party's conduct of the same has been or is likely to be materially damaging to the goodwill of Virgin Enterprises Limited or in any way materially disparaging of Virgin Enterprises Limited's reputation and such use or conduct remains unremedied for more than 10 business days;
- the Gamesys Party commits a material breach that remains unremedied for more than 10 business days (or in the case of non-payment, if the Gamesys Party has not paid undisputed sums for more than 60 calendar days);
- the Gamesys Party is in a financial position entitling it, its shareholders or its creditors to institute formal insolvency proceedings;
- there is a change of control of the Gamesys Party (other than a permitted change of control);
- the Gamesys Party challenges Virgin Enterprises Limited's ownership of, entitlement to licence and/or validity of the Virgin name, logos and approved marks licenced to the Gamesys Party or attempts to register the same or confusingly similar marks;
- the Gamesys Party fails to pay the royalty due to Virgin Enterprises Limited on two or more occasions in a 12-month period within 10 business days after the due date, where those sums are undisputed; or
- the Gamesys Party has been in non-material breach three times in any three consecutive years and Virgin Enterprises Limited has notified the Gamesys Party after the first and second such breaches that there is a risk of the breach becoming material.

14.151 The Amended and Restated Virgin TMLA includes minimum annual revenue targets in the UK and the US. If revenues in either of those territories falls below 80% of the minimum target in any year, Virgin Enterprises Limited has the ability to terminate the Gamesys Party's rights in that territory. For other jurisdictions, a similar termination right exists but in such jurisdictions (where no such target has been agreed upfront) a weighted revenue target is applied each year instead. This is based on the relative size of that territory's GDP and population size in comparison to the UK.

14.152 Virgin Enterprises Limited can also terminate the Gamesys Party's ability to use the Virgin brands if the Gamesys Party fails to launch into a new territory within a particular timeframe after it has become legally possible to do so.

14.153 The Gamesys Party may terminate the Amended and Restated Virgin TMLA immediately (including in respect of a country or state, only to the extent that the applicable grounds of termination relate to that country or state), if:

- Virgin Enterprises Limited commits a material breach that is not remedied for more than 10 business days after notice requiring remedy; or
- Virgin Enterprises Limited is in a financial position entitling it, its shareholders or its creditors to institute formal insolvency proceedings.

14.154 The Amended and Restated New Jersey TMLA has been entered into on broadly the same terms as the Amended and Restated Virgin TMLA, save that the term of the Amended and Restated New Jersey TMLA is due to end on 25 November 2019, which was amended on 12 December 2019 and is now due to end on 26 November 2024, and the Amended and Restated New Jersey TMLA contains certain provisions which are specific to the regulatory framework of New Jersey.

14.155 As part of an internal restructuring, on 1 April 2020 the business of Nozee Limited was transferred to Gamesys Operations Limited. On 19 March 2020, the Amended and Restated Virgin TMLA was novated to Gamesys Operations Limited.

Games Licence Agreements

Non-US Games Licence Agreement

14.156 On 26 September 2019, Rabbitfoot Gibraltar Limited ("**Licensor**") entered into a Games Licence Agreement with Gamesys Operations Limited ("**Licensee**"). Pursuant to the Games Licence Agreement, Licensor licences the Licensee certain existing real money games (which are comprised

within the Legacy Gamesys Non-Bingo Games Content) and, subject to further agreement, newly created real money games, in each case for use by the GATB in the Restricted Territories (excluding New Jersey). A fee is charged by Licensor for the licence based in part on the net revenue earned by the GATB from the games. A minimum revenue commitment applies in the first three years. Certain of the games are licenced to TGH on an exclusive basis in the Restricted Territories (excluding New Jersey) and for a limited time.

US Games Licence Agreement

14.157 On 26 September 2019, Content Holdco (“**Licensor**”) entered into a Games Licence Agreement with Gamesys Limited (“**Licensee**”). Pursuant to this Games Licence Agreement, Licensor licences the Licensee certain existing real money games (which are comprised within the Legacy Gamesys Non-Bingo Games Content) and, subject to further agreement, newly created real money games, in each case for use by the GATB in New Jersey. A fee is charged by Licensor for the licence based in part on the net revenue earned by the GATB from the games. Certain of the games are licenced to TGH on an exclusive basis in New Jersey and for a limited time.

14.158 The principal terms of the Games Licence Agreements are set out below.

Duration and Exclusivity

14.159 Each Games Licence Agreement has a term of 15 years, subject to earlier termination in accordance with its terms. The Licensee is granted an exclusive licence in certain territories for either three contract years (in relation to an agreed list of high-earning games) or two contract years (in relation to an agreed list of lower-earning games).

Scope of licence

14.160 The Games Licence Agreements grant a licence to the Licensee to use an agreed list of online real-money gambling games on the Licensee’s websites in the Restricted Territories. Initially, this included the right for some of the games to be hosted and served from the GATB’s platform but otherwise the Licensee also receives a licence to use related game development kits. The games are hosted and served from the Licensor’s remote gambling platform. The Licensee is also entitled to use its own platform to interface with the Licensor’s platform as necessary.

14.161 The scope of each licence can be increased by agreement of the parties to include additional games, Licensee websites and territories.

14.162 In limited circumstances, games can be withdrawn from use in the Restricted Territories.

Services

14.163 The respective Licensors, in addition to providing the existing games, provide certain development services for the Licensor’s platform as are reasonably requested by the Licensees. The Licensors, subject to agreement, provide new games developed by it in any market, and subject to agreement integrate games with new GATB platforms from time to time. Subject to Licensee paying any costs which exceed an agreed threshold, the Licensors maintains the initial games and platform up to date with applicable law requirements in the Restricted Territories.

Termination

14.164 Either party may terminate either Games Licence Agreement if, in the first three contract years from 26 September 2019, an arbitrator determines that the other party has committed an irremediable wilful or reckless material breach or has failed to remedy a remediable wilful or reckless material breach; or after the first three contract years from 26 September 2019, if the other party is in irremediable material breach or has failed to remedy a remediable material breach, or an undisputed sum remains unpaid in excess of 30 days from further demand, or it is an insolvency situation or has compromised with its creditors. In addition, the US Games Licence Agreement will terminate in the event of termination of the Non-US Games Licence Agreement. The US Games Licence Agreement may also be terminated if the Tropicana License Agreement terminates or expires and, at the relevant time, the US Games Licence Agreement covers no US market other than New Jersey. If other US markets are covered by the US Games Licence Agreement at such time, the agreement may be terminated in respect of New Jersey only.

14.165 In limited circumstances, the Licensors may withdraw games if revenues fall below agreed thresholds (but not in the first three contract years from 26 September 2019), or, if the revenue is above the threshold, where the withdrawal is appropriate in the context of changes or developments in technology used by the Licensors (but not in the first three contract years from 26 September 2019). There are other circumstances where games may be withdrawn, including where to continue to distribute them would infringe third-party rights or break gaming laws.

Licensee obligations

14.166 The Licensees are, among other obligations, to contract directly with end users, comply with applicable law, maintain gaming approvals, and prevent under-age gambling.

Payment

14.167 The Licensors receive a fee based on a percentage of the revenue earned by the Licensees from each game. A minimum revenue commitment applies for the first three contract years for the non-US Games Licence Agreement.

IPR indemnity

14.168 The Licensors indemnify the Licensees against all claims and losses arising out of intellectual property infringement, and the Licensees indemnify the Licensors against all claims and losses arising from intellectual property infringement, Licensee's failure to comply with third-party licensor terms, failure to incorporate certain terms in end user agreements, reverse engineering games software or failing to hold or comply with appropriate gaming licences.

Limitation of liability

14.169 Save for death, personal injury and fraud, the parties' respective liability is capped by reference to a multiple of the annual fees (the multiple reducing over time), with an exclusion of liability for indirect losses.

Governing Law

The Games Licence Agreements are governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

15. RELATED PARTY TRANSACTIONS

15.1 Save as referred to in paragraph 15.2 below, in relation to Bally's financial statements for the three years ended 31 December 2020, 2019, and 2018, there were no related party transactions entered into by Bally's or any member of the Bally's Group during the financial years ended 31 December 2020, 2019 and 2018 or during the period up to the Latest Practicable Date.

15.2 Bally's adopted a plan in 2015 under which employees and directors could borrow money from Bally's to finance the payment of the exercise price and related income taxes under previously granted stock option. Mr. Papanier and Mr. Capp were parties to such arrangement as was John Taylor, a former director of the Corporation. These loans were repaid in full as at December 2018. In December 2018, Mr. Papanier and Mr Taylor sold an aggregate of 71,637 Bally's Shares to the Corporation for total proceeds of approximately \$6.7 million, which were used to repay the loans described above and related taxes.

15.3 Save as referred to in Note 29 (for 2020 and 2019) and Note 24 (for 2018) to Gamesys Group's financial statements for the three years ended 31 December 2020, 2019 and 2018 as incorporated by reference from Gamesys' Annual Report and Accounts 2020, there were no related party transactions entered into by Gamesys or any member of the Gamesys Group during the financial years ended 31 December 2020, 2019 and 2018 and during the period up to the date of this Prospectus.

16. LITIGATION

16.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Bally's is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on Bally's or the Bally's Group's financial position or profitability or, following the Combination, may have, or have had in the recent past, a significant effect on the Combined Group and/or the Combined Group's financial position or profitability.

16.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Bally's is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on Gamesys or the Gamesys Group's financial position or profitability or, following the Combination, may have, or have had in the recent past, a significant effect on the Combined Group and/or the Combined Group's financial position or profitability.

17. WORKING CAPITAL

In the opinion of the Corporation, the working capital available to the Bally's Group is sufficient for the Bally's Group's present requirements for at least the next 12 months following the date of this Prospectus.

18. NO SIGNIFICANT CHANGE

18.1 There has been no significant change in the financial position or financial performance of the Bally's Group which has occurred since 31 March 2021, being the date for which the last interim consolidated financial statements of the Bally's Group were published.

18.2 There has been no significant change in the financial position or financial performance of the Gamesys Group which has occurred since 31 March 2021, being the date for which the last interim consolidated financial statements of the Gamesys Group were published.

19. DIVIDENDS

19.1 The declaration and payment of future dividends will be at the discretion of the Bally's Directors and will depend upon many factors, including Bally's earnings, financial condition, business needs, consideration of other methods of returning capital to shareholders, capital and surplus requirements of its operating subsidiaries and regulatory and contractual restrictions.

19.2 The following table sets out the dividend per Bally's Share paid in respect of each of the financial years ended 31 December 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Dividend per Bally's Share	\$0.10	\$0.20	—

Following completion of the Combination, the Corporation currently intends to maintain its existing dividend policy.

20. CONSENTS

20.1 Deloitte LLP, whose registered address is at One New Street Square, London, EC4A 3HQ, are the Reporting Accountants to the Corporation and has given and has not withdrawn its written consent to the inclusion of its report on the *Pro Forma* Financial Information set out in Part XVII ("**Unaudited Pro Forma Financial Information of the Combined Group**") and has authorised the content of its report for the purposes of paragraph 1.3 of Annex 1 to Commission Delegated Regulation 2019/980/EU as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

20.2 Deutsche Bank AG, acting through its London Branch and Deutsche Bank Securities, Inc., which is acting exclusively and only as financial adviser to the Corporation, has given and has not withdrawn its consent to the inclusion of its name in the form and context in which it is included in this Prospectus.

21. COSTS AND EXPENSES

21.1 The aggregate costs and expenses incurred by Bally's and Gamesys in connection with the issuance of the New Bally's Shares and the Combination are estimated to amount to approximately £93 million (including advisory, legal, audit, valuation and other professional fees). No expenses will be charged to any investor by Bally's in respect of the Offer.

21.2 There are no net proceeds receivable by the Corporation as a result of the issuance of New Bally's Shares in connection with the Combination.

22. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on Bally's website at www.Ballys.com, or on Gamesys' website at <https://www.gamesysgroup.com> or during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following the date of this Prospectus at the Corporation's principal executive office at 100 Westminster Street, Providence, Rhode Island, 02903:

- (A) the Certificate of Incorporation and Bylaws;
- (B) the unaudited consolidated financial statements of Bally's for the three months ended 31 March 2021;
- (C) the audited consolidated financial statements of Bally's for the three years ended 31 December 2020;
- (D) the report by Deloitte LLP in respect of the *Pro Forma* Financial Information in Part XVII ("**Unaudited Pro Forma Financial Information of the Combined Group**");
- (E) Gamesys' Annual Report for the financial year ended 31 December 2020;
- (F) Gamesys' Annual Report for the financial year ended 31 December 2019;
- (G) Gamesys' Annual Report for the financial year ended 31 December 2018; and
- (H) this Prospectus.

PART XXI

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

2019 Bally's Annual Report	Bally's Annual Report on Form 10-K for the financial year ended 31 December 2019
2019 Gamesys Annual Report	the annual report and audited accounts of Gamesys for the year ended 31 December 2019
2020 Bally's Annual Report	Bally's Annual Report on Form 10-K for the financial year ended 31 December 2020
2020 Gamesys Annual Report	the annual report and audited accounts of Gamesys for the year ended 31 December 2020
Accounts Date	30 June 2020
Agreed Dividends	(i) the Gamesys Final Dividend, or (ii) the First Gamesys Interim Dividend (if declared in accordance with the terms set out in paragraph 4 (<i>Dividends</i>) of the 2.7 Announcement), and (iii) the Second Gamesys Interim Dividend (if declared in accordance with the terms set out in paragraph 4 (<i>Dividends</i>) of the 2.7 Announcement)
2.7 Announcement	the announcement of the Combination made by Bally's, the Purchaser, and Gamesys on 13 April 2021 pursuant to Rule 2.7 of the City Code
Authorisations	approvals, authorisations, certificates, comfort letters, confirmations, consents, clearances, determinations, exemptions, findings of suitability, licences, orders, permissions, recognitions, and waivers
associated undertaking	will be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose excluding paragraph 19(1)(b) of Schedule 6 to those regulations
Bally's	Bally's Corporation, a corporation incorporated in Delaware, United States of America
Bally's Board	the board of directors of Bally's, from time to time
Bally's Directors	the directors of Bally's
Bally's Group	Bally's and its subsidiary undertakings and associated undertakings, and following the completion of the Combination, the Combined Group
Bally's Proxy Statement	the proxy statement to be sent to Bally's Shareholders on or around the date of this document in connection with their approval of the issuance of the New Bally's Shares
Bally's Responsible Officers	collectively, the Bally's Directors and the Corporation Officers
Bally's Shareholder Meeting	the shareholder meeting of Bally's (including any adjournment thereof) to be convened for the purposes of approving the issuance of the New Bally's Shares
Bally's Shareholders	holders of Bally's Shares
Bally's Shares	the common stock of Bally's, having a par value of \$0.01 per share
Berenberg	Joh. Berenberg, Gossler & Co. KG
Business Day	a day (other than Saturdays or Sundays and public holidays in the UK or US) on which banks are generally open for business in London and New York
Bylaws	the Amended and Restated Bylaws of the Corporation, as amended from time to time

Cash Offer	1,850 pence in cash for each Gamesys Share pursuant to the Combination
CGT	U.K. tax on capital or chargeable gains
City Code	the City Code on Takeovers and Mergers
Closing Price	(i) the closing middle market quotation of a share derived from the daily official list of the London Stock Exchange in respect of Gamesys Shares or (ii) the published sales price as reported by the NYSE in respect of Bally's Shares
Code	the Internal Revenue Code of 1986, as amended
Combination	the proposed transaction pursuant to which Bally's will become the ultimate parent company of Gamesys by means of the direct or indirect acquisition by Bally's directly, or with or through Premier Entertainment or another direct or indirect wholly owned subsidiary (and any reference herein to Premier Entertainment includes a reference to any such subsidiary), of the entire issued and to be issued ordinary share capital of Gamesys, to be effected by means of the Scheme;
Combined Group	the combined Gamesys Group and Bally's Group following completion of the Combination
Companies Act	the Companies Act 2006 (as amended)
Conditions	the conditions to the implementation of the Combination, as set out in Appendix I to the 2.7 Announcement and set out in Part 3 of the Scheme Document
Corporation	Bally's Corporation
Confidentiality Agreement	the confidentiality agreement entered into between Bally's and Gamesys on 2 January 2021
Consideration	the consideration payable to Gamesys Shareholders in cash, and/or, if a valid election is made, New Bally's Shares, pursuant to the Share Alternative, in connection with the Combination
Content Holdco	Rabbitfoot Games (UK) Limited, a company incorporated in England and Wales and which will hold the Residual Content Business.
Co-operation Agreement	the cooperation agreement entered into on 13 April 2021 between Bally's and Gamesys
Corporation Officers	George Papanier, Stephen Capp, and Marc Crisafuli
Court	the High Court of Justice in England and Wales
Court Hearing	the Court hearing at which Gamesys will seek an order sanctioning the Scheme pursuant to Part 26 of the Companies Act
Court Meeting	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part 11 of the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment or reconvening thereof
Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
CREST	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear
Deutsche Bank	Deutsche Bank Aktiengesellschaft, London Branch and Deutsche Bank Securities Inc
EEA	European Economic Area

Effective	in the context of the Combination: (i) if the Combination is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or (ii) if the Combination is implemented by way of a Takeover Offer, the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code;
Effective Date	the date on which: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Bally's or Premier Entertainment elects to implement the Combination by way of a Takeover Offer, the date on which such Takeover Offer becomes or is declared unconditional in all respects
Electing Gamesys Directors	Lee Fenton, Keith Laslop, Jim Ryan and Robeson Reeves
Electing Gamesys Shareholders	Noel Hayden, Andrew Dixon, Robin Tombs and Michael Mee
Election Return Time	the latest time by which any Share Alternative Election may be made, being: <p>(i) 1:00 p.m. on 8 October 2021; or</p> <p>(ii) if the Regulatory Conditions have not been satisfied by 11:59 p.m. on 1 October 2021, Bally's or Gamesys will announce through a Regulatory Information Service an extension to the Election Return Time, which will be the earlier of 1:00 p.m. on the date which is (x) one week after the date on which the Regulatory Conditions are satisfied and (y) the Business Day immediately before the date of the Court Hearing, or such other date as Bally's and Gamesys may agree; or</p> <p>(iii) if Gamesys announces through a Regulatory Information Service that the Court Hearing has been scheduled for a date prior to 8 October 2021, the earlier of 1:00 p.m. on the date which is (x) one week before the date of the Court Hearing and (y) the Business Day immediately before the date of the Court Hearing or such other date as Bally's and Gamesys may agree;</p>
Election Withdrawal Deadline	the later of: (i) the Election Return Time; or (ii) 1:00 p.m. on the date that is one week before the Court Hearing; or (iii) such other time and date as Bally's and Gamesys may agree;
Electronic Election	an election made in accordance with clause 3 of Part 10 (<i>The Scheme of Arrangement</i>) of the Scheme Document in respect of the Share Alternative by an eligible Scheme Shareholder who, immediately prior to the Election Return Time, holds Scheme Shares in uncertificated form;
Equity Offering	the offering of Bally's Shares pursuant to a prospectus supplement dated 15 April 2021
E.U.	the European Union
EU Prospectus Regulation	Regulation 2017/1179/EU, as amended
Exchange Act	the U.S. Securities Exchange Act of 1934, as amended
FCA or Financial Conduct Authority	the U.K. Financial Conduct Authority or its successor from time to time
First Gamesys Interim Dividend	if the Effective Date occurs before the date of the Gamesys AGM, the interim dividend of, in aggregate, £30.7 million for the relevant period that the Gamesys Board has reserved the right to declare in place of the Gamesys Final Dividend
Form of Election	The green form of election by which Scheme Shareholders (other than Scheme Shareholders resident or located in a Restricted Jurisdiction) may elect for the Share Alternative;

Forms of Proxy	the form of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
FSMA	the Financial Services and Markets Act 2000, as amended
Gamesys	Gamesys Group plc, a company incorporated in England and Wales (registered number 10303804), whose registered office is at 10 Piccadilly, London, England, W1J 0DD
Gamesys AGM	the 2021 annual general meeting of Gamesys to be held on 10 June 2021
Gamesys Board	the board of directors of Gamesys, from time to time
Gamesys Directors	the directors of Gamesys
Gamesys Final Dividend	the final dividend in respect of the year ended 31 December 2020 of 28 pence per Gamesys Share, for payment to Gamesys Shareholders on Gamesys' register of members at close of business on 14 May 2021, which equates to an aggregate of £30.7 million, based on Gamesys' issued share capital as at 14 May 2021, being the record date for the final dividend, proposed by the Gamesys Board for approval by Gamesys Shareholders at the Gamesys AGM
Gamesys Group	Gamesys and its subsidiary undertakings and associated undertakings and, where the context permits, each of them
Gamesys Remuneration Committee	the remuneration committee of the board of directors of Gamesys as constituted from time to time prior to the Effective Date.
Gamesys Shareholders	holders of Gamesys Shares from time to time
Gamesys Share Plans	the Gamesys Long Term Incentive Plan and the Gamesys Share Option Plan
Gamesys Shares	the ordinary shares of 10 pence each in the capital of Gamesys
Games Licence Agreements	(i) the non-US Games Licence Agreement entered into between Rabbitfoot Gibraltar Limited, a member of the Residual Content Business, and Gamesys Operations Limited, a member of the GATB, on or before Completion, and (ii) the US Games Licence Agreement to be entered into between Content Holdco, a member of the Residual Content Business, and Gamesys Limited, a member of the GATB, on or before 26 September 2019.
GBGC	the Gambling Commission of Great Britain or any successor thereto
General Meeting	the general meeting of Gamesys Ordinary Shareholders to be convened in connection with the Scheme to consider and if thought fit pass, the Special Resolution including any adjournment thereof
GLPI	Gaming and Leisure Properties, Inc.
HMRC	Her Majesty's Revenue & Customs
IFRS	International Financial Reporting Standards, as adopted in the E.U.
IRS	Internal Revenue Service
Latest Practicable Date	28 May 2021, being the last Business Day before the Announcement Date
Legacy Gamesys Non-Bingo Games Content	non-bingo games developed and made available by the Gamesys Group.
London Stock Exchange	London Stock Exchange plc
Long Stop Date	11.59 p.m. (London time) 13 April 2022, or such time and/or later date as Bally's and Gamesys may agree, with the Panel's consent and as the Court may approve (if such approvals are required)

Macquarie Capital	Macquarie Capital (Europe) Limited
Meetings	the Court Meeting and the General Meeting
Member States	the member states of the E.U., as such membership may change from time to time
New Bally's Shares	the Bally's Shares to be issued to satisfy valid elections under the Share Alternative;
New U.K. Bally's Shareholders	Gamesys Shareholders who receive New Bally's Shares in connection with the Offer and who are resident and, in the case of individuals, resident and domiciled in the U.K. for U.K. tax purposes and who are not resident for tax purposes in any other jurisdiction
Numis	Numis Securities Limited
Offer	the offer of New Bally's Shares in connection with the Combination as the Share Alternative
Offer Period	in respect of the Combination, the offer period (as defined in the Takeover Code) relating to Gamesys, which commenced on 24 March 2021, and ending on the earlier of the Effective Date and/or the date on which it is announced that the Scheme has lapsed or been withdrawn (or such other date as the Takeover Code may provide or the Panel may decide)
Official List	the Official List maintained by the FCA
Overseas Shareholders	Gamesys Shareholders (or nominees of, or custodians or trustees for Gamesys Shareholders) not resident in, or nationals or citizens of, the United Kingdom
Panel	the Panel on Takeovers and Mergers
PRA	the U.K. Prudential Regulation Authority or its successor from time to time
Premier Entertainment	Premier Entertainment Sub, LLC, an indirect wholly owned subsidiary of Bally's
Pro Forma Financial Information	the unaudited <i>pro forma</i> statement of earnings and balance sheet for the year ended 31 December 2020 and the related notes thereto set out in Part XVII (" <i>Unaudited Pro Forma Financial Information of the Combined Group</i> ")
Proposed Bally's Directors	Lee Fenton, Robeson Reeves, Jim Ryan
Prospectus	this document
Prospectus Regulation Rules	the rules and guidance published by the FCA in connection with the UK Prospectus Regulation and contained in the FCA's publication of the same name, as amended
Purchaser	Premier Entertainment Sub, LLC, an indirectly wholly owned subsidiary of Bally's
Registrar of Companies	the Registrar of Companies in England and Wales
Registration Statement	a Registration Statement under the US Securities Act then available to Bally's providing for the issuance of New Bally's Shares to Gamesys Shareholders pursuant to the Combination
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
Regulatory Conditions	the Conditions set out in Conditions 6 to 11 (inclusive) of Part A of Part 3 of the Scheme Document
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the

Combination (including, for the avoidance of doubt, the Share Alternative) is extended or made available in that jurisdiction or if information concerning the Combination is made available in that jurisdiction or where to do so would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Bally's, Premier Entertainment or Gamesys regards as unduly onerous

Restricted Shareholders	Gamesys Shareholders with registered addresses in, or who are resident and/or located in, one or more Restricted Jurisdictions;
Scheme	the proposed scheme of arrangement under Part 26 of the Companies Act between Gamesys and the Scheme Shareholders in connection with the Combination, as set out in Part 10 (<i>The Scheme of Arrangement</i>) of this document with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Gamesys and Bally's and/or Premier Entertainment
Scheme Court Hearing	the hearing by the Court to sanction the Scheme
Scheme Document	the circular dated 1 June 2021 sent by Gamesys to Gamesys Shareholders and persons with information rights containing, among other things, notices convening the Court Meeting and the Gamesys General Meeting
Scheme Record Time	6:00 p.m. on the Business Day immediately prior to the Effective Date
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	Gamesys Shares: <ul style="list-style-type: none">(i) in issue as at the date of the Scheme Document;(ii) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and(iii) (if any) issued on or after the Scheme Voting Record Time and at or before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme
SEC	the U.S. Securities and Exchange Commission
Scheme Voting Record Time	6:30 p.m. on 28 June 2021 or, if the Court Meeting is adjourned, 6:30 p.m. on the day that is not later than 48 hours (excluding any part of a day that is not a working day) before the date of such adjourned meeting
Second Gamesys Interim Dividend	an interim dividend for the six months ended 30 June 2021 of, in aggregate, up to £16.45 million, which the Gamesys Board reserves the right to declare if the Combination has not become effective before the ex-dividend date of 9 September 2021;
Securities Act	the U.S. Securities Act of 1933, as amended
Share Alternative	the alternative whereby eligible Scheme Shareholders (other than Scheme Shareholders resident or located in a Restricted Jurisdiction) may elect, subject to submitting a valid Form of Election, to receive Bally's Shares instead of all or part of the cash consideration which they would otherwise be entitled to under the Cash Offer;
SIP	the Gamesys Share Incentive Plan (including the schedules thereto containing the International Share Incentive Plan and Partners Share Incentive Plan)
Special Resolution	the special resolution(s) to be proposed at the Gamesys General Meeting in connection with the Scheme

SRI Voting Agreement	the voting agreement entered into on the Announcement Date between Bally's, Gamesys and Standard RI Ltd.
subsidiary and subsidiary undertaking	as defined in the Companies Act 2006
Takeover Code	the City Code on Takeovers and Mergers
Takeover Offer	should the Combination be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the Takeover Offer to be made by or on behalf of Bally's and/or Premier Entertainment to acquire the entire issued and to be issued share capital of Gamesys and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer
Treasury or Treasury Shares	shares held as treasury shares as provided for in section 724 of the Companies Act
Treasury Regulations	the U.S. Department of the Treasury regulations promulgated under the Code
Treaty non-resident	treated as resident outside the U.K. for the purposes of a double tax treaty
Tropicana Licence Agreement	the agreement entered into between Gamesys Limited and Tropicana Atlantic City, Corp. on 29 July 2013, pursuant to which (amongst other things) Gamesys Limited licences use of its software to Tropicana Atlantic City, Corp. to enable Tropicana Atlantic City, Corp. to make online games and third party products available to players in the US state of New Jersey.
U.K. or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Prospectus Regulation	Regulation 2017/1129/EU, as incorporated into domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended
U.S. or United States	the United States of America, its possessions and territories, all areas subject to its jurisdiction or any subdivision thereof, any State of the United States and the District of Columbia
U.S. GAAP	generally accepted accounting principles in the U.S.
US Securities Act	the US Securities Act of 1933, as amended
Warrant Instrument	the deed constituting the Warrants dated 26 September 2019 executed by Gamesys
Warrant Holder	Virgin Enterprises Limited
Warrants	the warrants to subscribe for Gamesys Shares granted pursuant to the Warrant Instrument

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

