

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

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

For the transition period from _____ to _____

Commission File No. 001-36629

CAESARS ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-3657681
(I.R.S. Employer
Identification No.)

100 West Liberty Street, 12th Floor, Reno, Nevada 89501
(Address and zip code of principal executive offices)

(775) 328-0100

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.00001 par value	CZR	NASDAQ Stock Market

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

The number of shares of the Registrant's Common Stock, \$.00001 par value per share, outstanding as of April 27, 2023 was 215,204,165.

CAESARS ENTERTAINMENT, INC.
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PART I - FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

CAESARS ENTERTAINMENT, INC. CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)

<i>(In millions)</i>	March 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 965	\$ 1,038
Restricted cash	155	131
Accounts receivable, net	543	611
Inventories	57	59
Prepayments and other current assets	291	263
Total current assets	2,011	2,102
Investments in and advances to unconsolidated affiliates	91	94
Property and equipment, net	14,608	14,598
Goodwill	11,004	11,004
Intangible assets other than goodwill	4,678	4,714
Other assets, net	957	1,015
Total assets	\$ 33,349	\$ 33,527
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 285	\$ 314
Accrued interest	252	318
Accrued other liabilities	1,772	1,928
Current portion of long-term debt	68	108
Total current liabilities	2,377	2,668
Long-term financing obligation	12,648	12,610
Long-term debt	12,904	12,659
Deferred income taxes	931	987
Other long-term liabilities	854	852
Total liabilities	29,714	29,776
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY:		
Caesars stockholders' equity	3,597	3,713
Noncontrolling interests	38	38
Total stockholders' equity	3,635	3,751
Total liabilities and stockholders' equity	\$ 33,349	\$ 33,527

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

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CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

<i>(In millions, except per share data)</i>	Three Months Ended March 31,	
	2023	2022
REVENUES:		
Casino	\$ 1,585	\$ 1,292
Food and beverage	427	339
Hotel	503	383
Other	315	278
Net revenues	2,830	2,292
EXPENSES:		
Casino	828	1,064
Food and beverage	251	202
Hotel	137	115
Other	107	88
General and administrative	509	499
Corporate	79	69
Depreciation and amortization	300	300
Transaction and other costs, net	16	(35)
Total operating expenses	2,227	2,302
Operating income (loss)	603	(10)
OTHER EXPENSE:		
Interest expense, net	(594)	(552)
Loss on extinguishment of debt	(197)	—
Other income	3	4
Total other expense	(788)	(548)
Loss from continuing operations before income taxes	(185)	(558)
Benefit for income taxes	49	107
Loss from continuing operations, net of income taxes	(136)	(451)
Discontinued operations, net of income taxes	—	(229)
Net loss	(136)	(680)
Net (income) loss attributable to noncontrolling interests	—	—
Net loss attributable to Caesars	\$ (136)	\$ (680)
Net loss per share - basic and diluted:		
Basic loss per share from continuing operations	\$ (0.63)	\$ (2.11)
Basic loss per share from discontinued operations	—	(1.07)
Basic loss per share	\$ (0.63)	\$ (3.18)
Diluted loss per share from continuing operations	\$ (0.63)	\$ (2.11)
Diluted loss per share from discontinued operations	—	(1.07)
Diluted loss per share	\$ (0.63)	\$ (3.18)
Weighted average basic shares outstanding	215	214
Weighted average diluted shares outstanding	215	214

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

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CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (136)	\$ (680)
Foreign currency translation adjustments	2	(33)
Change in fair market value of interest rate swaps, net of tax	—	13
Other	4	—
Other comprehensive income (loss), net of tax	6	(20)
Comprehensive loss	(130)	(700)
Comprehensive (income) loss attributable to noncontrolling interests	—	—
Comprehensive loss attributable to Caesars	\$ (130)	\$ (700)

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

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CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

Caesars Stockholders' Equity

<i>(In millions)</i>	Preferred Stock		Common Stock			Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Amount						
Balance, December 31, 2021	—	\$ —	214	\$ —	\$ 6,877	\$ (2,410)	\$ 36	\$ (23)	\$ 61	\$ 4,541	
Stock-based compensation	—	—	—	—	25	—	—	—	—	25	
Net loss	—	—	—	—	—	(680)	—	—	—	(680)	
Other comprehensive loss, net of tax	—	—	—	—	—	—	(20)	—	—	(20)	
Shares withheld related to net share settlement of stock awards	—	—	—	—	(20)	—	—	—	—	(20)	
Balance, March 31, 2022	<u>—</u>	<u>\$ —</u>	<u>214</u>	<u>\$ —</u>	<u>\$ 6,882</u>	<u>\$ (3,090)</u>	<u>\$ 16</u>	<u>\$ (23)</u>	<u>\$ 61</u>	<u>\$ 3,846</u>	
Balance, December 31, 2022	—	\$ —	215	\$ —	\$ 6,953	\$ (3,309)	\$ 92	\$ (23)	\$ 38	\$ 3,751	
Stock-based compensation	—	—	—	—	27	—	—	—	—	27	
Net loss	—	—	—	—	—	(136)	—	—	—	(136)	
Other comprehensive income, net of tax	—	—	—	—	—	—	6	—	—	6	
Shares withheld related to net share settlement of stock awards	—	—	—	—	(13)	—	—	—	—	(13)	
Balance, March 31, 2023	<u>—</u>	<u>\$ —</u>	<u>215</u>	<u>\$ —</u>	<u>\$ 6,967</u>	<u>\$ (3,445)</u>	<u>\$ 98</u>	<u>\$ (23)</u>	<u>\$ 38</u>	<u>\$ 3,635</u>	

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

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CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by (used in) operating activities	\$ 174	\$ (246)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(272)	(210)
Proceeds from sale of businesses, property and equipment, net of cash sold	1	3
Proceeds from the sale of investments	—	27
Proceeds from insurance related to property damage	—	27
Other	40	(6)
Net cash used in investing activities	(231)	(159)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt and revolving credit facilities	4,700	475
Repayments of long-term debt and revolving credit facilities	(4,630)	(492)
Financing obligation payments	(1)	—
Debt issuance and extinguishment costs	(79)	—
Taxes paid related to net share settlement of equity awards	(13)	(20)
Net cash used in financing activities	(23)	(37)
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Cash flows from operating activities	—	(13)
Cash flows from investing activities	—	(39)
Cash flows from financing activities	—	—
Net cash from discontinued operations	—	(52)
Effect of foreign currency exchange rates on cash	—	(9)
Decrease in cash, cash equivalents and restricted cash	(80)	(503)
Cash, cash equivalents and restricted cash, beginning of period	1,303	2,021
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,223</u>	<u>\$ 1,518</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO AMOUNTS REPORTED WITHIN THE CONSOLIDATED CONDENSED BALANCE SHEETS:		
Cash and cash equivalents	\$ 965	\$ 814
Restricted cash	155	185
Restricted and escrow cash included in other assets, net	103	266
Cash and cash equivalents and restricted cash held for sale - discontinued operations	—	253
Total cash, cash equivalents and restricted cash	<u>\$ 1,223</u>	<u>\$ 1,518</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 615	\$ 572
Income taxes paid, net	2	6
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Payables for capital expenditures	148	151

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

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

The accompanying consolidated condensed financial statements include the accounts of Caesars Entertainment, Inc., a Delaware corporation, and its consolidated subsidiaries which may be referred to as the “Company,” “CEI,” “Caesars,” “we,” “our,” or “us” within these financial statements.

This Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 Annual Report”). Capitalized terms used but not defined in this Form 10-Q have the same meanings as in the 2022 Annual Report.

We also refer to (i) our Consolidated Condensed Financial Statements as our “Financial Statements,” (ii) our Consolidated Condensed Balance Sheets as our “Balance Sheets,” (iii) our Consolidated Condensed Statements of Operations and Consolidated Condensed Statements of Comprehensive Income (Loss) as our “Statements of Operations,” and (iv) our Consolidated Condensed Statements of Cash Flows as our “Statements of Cash Flows.”

Note 1. Organization and Description of Business

Organization

The Company is a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. Beginning in 2005, the Company grew through a series of acquisitions, including the acquisition of MTR Gaming Group, Inc. in 2014, Isle of Capri Casinos, Inc. in 2017, Tropicana Entertainment, Inc. in 2018, Caesars Entertainment Corporation in 2020 and William Hill PLC on April 22, 2021. The Company’s ticker symbol on the NASDAQ Stock Market is “CZR.”

Description of Business

The Company owns, leases, brands or manages an aggregate of 51 domestic properties in 16 states with approximately 52,100 slot machines, video lottery terminals and e-tables, approximately 2,800 table games and approximately 47,200 hotel rooms as of March 31, 2023. The Company operates and conducts sports wagering across 30 jurisdictions in North America, 22 of which offer mobile sports betting, and operates regulated online real money gaming businesses in six jurisdictions in North America. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. The Company’s primary source of revenue is generated by our casino properties’ gaming operations, including retail and online sports betting, as well as online gaming, and the Company utilizes its hotels, restaurants, bars, entertainment, racing, retail shops and other services to attract customers to its properties.

The Company’s operations for retail and mobile sports betting, online casino, and online poker are included under the Caesars Digital segment. As part of the Caesars Digital segment, the Company has made significant investments into the interactive business in recent years, including the acquisition of William Hill PLC and strategic expansions into new markets as legalization permits. The Company has utilized significant marketing campaigns with distinguished actors, athletes and media personalities promoting the Caesars Sportsbook app. The Company expects to continue to expand its operations in the Caesars Digital segment as new jurisdictions legalize retail and online gaming and sports betting.

Divestitures

We periodically divest of assets in order to raise capital, as a result of a determination that the assets are not core to our business, or due to regulatory requirement. A summary of recently completed divestitures of our properties as of March 31, 2023 is as follows:

Segment	Property	Date Sold	Sales Price
Regional	Belle of Baton Rouge Casino & Hotel	May 5, 2022	*
<u>Discontinued operations:</u>			
N/A	William Hill International	July 1, 2022	£2.0 billion

* Not meaningful.

For the three months ended March 31, 2022, the operations of Belle of Baton Rouge Casino & Hotel resulted in \$4 million in net revenues and the discontinued operations of William Hill International included net revenues of \$419 million and net loss of \$303 million.

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Note 2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, the accompanying unaudited Financial Statements contain all adjustments, all of which are normal and recurring, considered necessary for a fair presentation. The results of operations for these interim periods are not necessarily indicative of the operating results for other quarters, for the full year or any future period.

The presentation of financial information herein for the periods before the Company’s divestitures of various properties is not fully comparable to the periods after the sale dates.

Consolidation of Subsidiaries and Variable Interest Entities

Our Financial Statements include the accounts of Caesars Entertainment, Inc. and its subsidiaries after elimination of all intercompany accounts and transactions.

We consolidate all subsidiaries in which we have a controlling financial interest and variable interest entities (“VIEs”) for which we or one of our consolidated subsidiaries is the primary beneficiary. Control generally equates to ownership percentage, whereby (i) affiliates that are more than 50% owned are consolidated; (ii) investments in affiliates of 50% or less but greater than 20% are generally accounted for using the equity method where we have determined that we have significant influence over the entities; and (iii) investments in affiliates of 20% or less are generally accounted for as investments in equity securities.

We consider ourselves the primary beneficiary of a VIE when we have both the power to direct the activities that most significantly affect the results of the VIE and the right to receive benefits or the obligation to absorb losses of the entity that could be potentially significant to the VIE. We review investments for VIE consideration if a reconsideration event occurs to determine if the investment qualifies, or continues to qualify, as a VIE. If we determine an investment qualifies, or no longer qualifies, as a VIE, there may be a material effect to our Financial Statements.

Cash and Cash Equivalents

Cash equivalents include highly-liquid investments with original maturities of three months or less at the date of purchase including investments in money market funds that can be redeemed immediately at the current net asset value per share. A money market fund is a mutual fund whose investments are primarily in short-term debt securities designed to maximize current income with liquidity and capital preservation, usually maintaining per share net asset value at a constant amount, such as one dollar. Cash and cash equivalents also include cash maintained for gaming operations. The carrying amounts approximate the fair value because of the short maturity of those instruments (Level 1).

Restricted Cash

Restricted cash includes certificates of deposit and similar instruments that are subject to remeasurement on a recurring basis, as well as cash deposits which are restricted under certain operating agreements or restricted for future capital expenditures in the normal course of business.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising

Advertising costs are expensed in the period the advertising initially takes place. Advertising costs were \$68 million and \$270 million for the three months ended March 31, 2023 and 2022, respectively, and are included within operating expenses. Advertising costs in the three months ended March 31, 2022 included significant television, radio and internet marketing campaigns promoting our Caesars Sportsbook. Advertising costs related to the Caesars Digital segment are primarily recorded in Casino expense.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Interest Expense, Net

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Interest expense	\$ 604	\$ 560
Capitalized interest	(6)	(6)
Interest income	(4)	(2)
Total interest expense, net	<u>\$ 594</u>	<u>\$ 552</u>

Recently Issued Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

Note 3. Investments in and Advances to Unconsolidated Affiliates

Pompano Joint Venture

In April 2018, the Company entered into a joint venture with Cordish Companies ("Cordish") to plan and develop a mixed-use entertainment and hospitality destination expected to be located on unused land adjacent to the casino at the Company's Pompano property. As the managing member, Cordish will operate the business and manage the development, construction, financing, marketing, leasing, maintenance and day-to-day operation of the various phases of the project. Additionally, Cordish will be responsible for the development of the master plan for the project with the Company's input and will submit it for the Company's review and approval.

While the Company holds a 50% variable interest in the joint venture, it is not the primary beneficiary; as such, the investment in the joint venture is accounted for using the equity method. The Company participates evenly with Cordish in the profits and losses of the joint venture, which are included in Transaction and other costs, net on the Statements of Operations. As of March 31, 2023 and December 31, 2022, the Company's investment in the joint venture was \$81 million and \$80 million, respectively, and is recorded in Investments in and advances to unconsolidated affiliates on the Balance Sheets. The Company has no further obligation to contribute additional real estate or cash as of March 31, 2023.

NeoGames

The Company held an investment in NeoGames S.A., a global leader of iLottery solutions and services to national and state-regulated lotteries, and other investments. On March 14, 2022, the Company sold its investment at fair value for \$26 million and recorded a loss of \$34 million during the three months ended March 31, 2022, which is included within Other income on the Statements of Operations.

Note 4. Property and Equipment

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Land	\$ 2,092	\$ 2,092
Buildings, riverboats, and leasehold and land improvements	13,162	13,094
Furniture, fixtures, and equipment	2,145	2,054
Construction in progress	461	351
Total property and equipment	<u>17,860</u>	<u>17,591</u>
Less: accumulated depreciation	(3,252)	(2,993)
Total property and equipment, net	<u>\$ 14,608</u>	<u>\$ 14,598</u>

A portion of our property and equipment is subject to various operating leases for which we are the lessor. Leased property includes our hotel rooms, convention space and retail space through various short-term and long-term operating leases.

Depreciation Expense

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Depreciation expense	\$ 264	\$ 243

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset or the related lease.

Note 5. Goodwill and Intangible Assets, net

The purchase price of an acquisition is allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. The Company determines the estimated fair values after review and consideration of relevant information including discounted cash flows, quoted market prices and estimates made by management. To the extent the purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired and liabilities assumed, such excess is recorded as goodwill.

Changes in Carrying Value of Goodwill and Other Intangible Assets

<i>(In millions)</i>	Amortizing Intangible Assets	Non-Amortizing Intangible Assets	
		Goodwill	Other
Balances as of December 31, 2022	\$ 1,060	\$ 11,004	\$ 3,654
Amortization expense	(36)	—	—
Balances as of March 31, 2023	<u>\$ 1,024</u>	<u>\$ 11,004</u>	<u>\$ 3,654</u>

Gross Carrying Value and Accumulated Amortization of Intangible Assets Other Than Goodwill

<i>(Dollars in millions)</i>	Useful Life	March 31, 2023			December 31, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets							
Customer relationships	3 - 7 years	\$ 587	\$ (296)	\$ 291	\$ 587	\$ (276)	\$ 311
Gaming rights and other	10 - 34 years	212	(19)	193	212	(16)	196
Trademarks	15 years	313	(78)	235	313	(73)	240
Reacquired rights	24 years	250	(20)	230	250	(17)	233
Technology	6 years	110	(35)	75	110	(30)	80
		<u>\$ 1,472</u>	<u>\$ (448)</u>	<u>1,024</u>	<u>\$ 1,472</u>	<u>\$ (412)</u>	<u>1,060</u>
Non-amortizing intangible assets other than Goodwill							
Trademarks				1,998			1,998
Gaming rights				1,133			1,133
Caesars Rewards				523			523
				<u>3,654</u>			<u>3,654</u>
Total amortizing and non-amortizing intangible assets other than Goodwill, net				<u>\$ 4,678</u>			<u>\$ 4,714</u>

Amortization expense with respect to intangible assets for the three months ended March 31, 2023 and 2022 totaled \$36 million and \$57 million, respectively, which is included in Depreciation and amortization in the Statements of Operations.

Estimated Five-Year Amortization

<i>(In millions)</i>	Remaining 2023	Years Ended December 31,				
		2024	2025	2026	2027	2028
Estimated annual amortization expense	\$ 106	\$ 126	\$ 119	\$ 119	\$ 76	\$ 39

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Note 6. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis

The following table sets forth the assets and liabilities measured at fair value on a recurring basis, by input level, in the Balance Sheets:

<i>(In millions)</i>	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	\$ 2	\$ 1	\$ —	\$ 3
Total assets at fair value	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 3</u>

<i>(In millions)</i>	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	\$ 2	\$ 2	\$ —	\$ 4
Total assets at fair value	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 4</u>

Restricted Cash

The estimated fair values of the Company's restricted cash are based upon quoted prices available in active markets (Level 1) or quoted prices for similar assets in active and inactive markets (Level 2) and represent the amounts the Company would expect to receive if the Company sold the instruments classified as restricted cash. Restricted cash classified as Level 1 includes cash equivalents held in short-term certificate of deposit accounts or money market type funds. Restricted cash that is not subject to remeasurement on a recurring basis is not included in the table above.

Marketable Securities

Marketable securities consist primarily of trading securities held by the Company's captive insurance subsidiary and deferred compensation plans. The estimated fair values of the Company's marketable securities are determined on an individual asset basis based upon quoted prices of identical assets available in active markets (Level 1), quoted prices of identical assets in inactive markets, or quoted prices for similar assets in active and inactive markets (Level 2), and represent the amounts the Company would expect to receive if the Company sold these marketable securities.

Derivative Instruments

The Company does not purchase or hold any derivative financial instruments for trading purposes.

Forward Contracts

The Company entered into several foreign exchange forward contracts with third parties to hedge the risk of fluctuations in the foreign exchange rates between USD and GBP. During the three months ended March 31, 2022, the Company recorded a gain of \$21 million, related to forward contracts, which has been recorded in Other income (loss) on the Statements of Operations. All forward contracts were settled as of July 1, 2022.

Interest Rate Swap Derivatives

The Company used interest rate swaps to manage the mix of debt between fixed and variable rate instruments. The term of the last interest rate swaps ended on December 31, 2022.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Accumulated Other Comprehensive Income (Loss)

The changes in Accumulated other comprehensive income (loss) by component, net of tax, for the three months ended March 31, 2023 and 2022 are shown below.

<i>(In millions)</i>	Unrealized Net Gains on Derivative Instruments	Foreign Currency Translation Adjustments	Other	Total
Balances as of December 31, 2021	\$ 73	\$ (36)	\$ (1)	\$ 36
Other comprehensive income (loss) before reclassifications	5	(33)	—	(28)
Amounts reclassified from accumulated other comprehensive income	8	—	—	8
Total other comprehensive income (loss), net of tax	13	(33)	—	(20)
Balances as of March 31, 2022	<u>\$ 86</u>	<u>\$ (69)</u>	<u>\$ (1)</u>	<u>\$ 16</u>
Balances as of December 31, 2022	\$ 94	\$ (1)	\$ (1)	\$ 92
Other comprehensive income (loss) before reclassifications	—	2	4	6
Total other comprehensive income (loss), net of tax	—	2	4	6
Balances as of March 31, 2023	<u>\$ 94</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 98</u>

Note 7. Litigation, Commitments and Contingencies

Litigation

General

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

COVID-19 Insurance Claims

The COVID-19 public health emergency had a significant impact on the Company's business and employees, as well as the communities where the Company operates and serves. The Company purchased broad property insurance coverage to protect against "all risk of physical loss or damage" and resulting business interruption, unless specifically excluded by policies. The Company submitted claims for losses incurred as a result of the COVID-19 public health emergency which exceed \$2 billion. The insurance carriers under the Company's insurance policies have asserted that the policies do not cover losses incurred by the Company as a result of the COVID-19 public health emergency and have refused to make payments under the applicable policies. Therefore, on March 19, 2021, the Company filed a lawsuit against its insurance carriers in the state court in Clark County, Nevada. On June 8, 2021, the Company filed an amended complaint. Litigation is proceeding and there can be no assurance as to the outcome of the litigation.

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CAESARS ENTERTAINMENT, INC.
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Contractual Commitments

Capital Commitments

Harrah's New Orleans

In April 2020, the Company and the State of Louisiana, by and through the Louisiana Gaming Control Board, entered into an Amended and Restated Casino Operating Contract. Additionally, the Company, New Orleans Building Corporation and the City entered into a Second Amended and Restated Lease Agreement. Based on these amendments related to Harrah's New Orleans, the Company is required to make a capital investment of \$325 million on or around Harrah's New Orleans by July 15, 2024. The capital investment will involve the rebranding of the property to Caesars New Orleans which includes a renovation and full interior and exterior redesign, updated casino floor, new culinary experiences and a new 340-room hotel tower. The project has a current capital plan of approximately \$430 million, and as of March 31, 2023, total capital expenditures have been \$145 million since the project began.

Atlantic City

As required by the New Jersey Gaming Control Board, in 2020, the Company funded \$400 million in escrow to provide funds for a three year capital expenditure plan in the state of New Jersey. The capital plan includes significant room renovations at both Caesars Atlantic City and Harrah's Atlantic City, as well as the addition of new celebrity partnered restaurants. As of March 31, 2023 and December 31, 2022, the restricted cash balance remaining in the escrow account was \$88 million and \$118 million, respectively. This amount is currently included in restricted cash in Other assets, net.

Sports Sponsorship/Partnership Obligations

The Company has agreements with certain professional sports leagues and teams, sporting event facilities and media companies for tickets, suites, advertising, marketing, promotional and sponsorship opportunities including communication with partner customer databases. Additionally, a selection of such partnerships provide Caesars with exclusivity to access the aforementioned rights within the casino and/or sports betting category. As of March 31, 2023 and December 31, 2022, obligations related to these agreements were \$847 million and \$898 million, respectively, with contracts extending through 2040. These obligations include leasing of event suites that are generally considered short-term leases for which the Company does not record a right of use asset or lease liability. The Company recognizes expenses in the period services are received in accordance with the various agreements. In addition, assets or liabilities may be recorded related to the timing of payments as required by the respective agreement.

Self-Insurance

The Company is self-insured for workers compensation and other risk insurance, as well as health insurance and general liability. The Company's total estimated self-insurance liability as of March 31, 2023 and December 31, 2022, was \$208 million and \$203 million, respectively, which is included in Accrued other liabilities in our Balance Sheets.

The assumptions utilized by our actuaries are subject to significant uncertainty and if outcomes differ from these assumptions or events develop or progress in a negative manner, the Company could experience a material adverse effect and additional liabilities may be recorded in the future.

Contingencies

Weather Disruption - Lake Charles

On August 27, 2020, Hurricane Laura made landfall on Lake Charles, Louisiana as a Category 4 storm severely damaging the Isle of Capri Casino Hotel Lake Charles. During the three months ended March 31, 2022, the Company reached a final settlement agreement with the insurance carriers for a total amount of \$128 million, before our insurance deductible of \$25 million. Insurance proceeds received to replace damaged property were in excess of the respective carrying value of the damaged assets resulting in a gain of \$38 million during the three months ended March 31, 2022, which is included in Transaction and other costs, net in our Statements of Operations. The construction of our new land-based casino, Horseshoe Lake Charles, was completed and the property reopened in December 2022.

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Note 8. Long-Term Debt

<i>(Dollars in millions)</i>	March 31, 2023				December 31, 2022	
	Final Maturity	Rates	Face Value	Book Value	Book Value	
Secured Debt						
Baltimore Revolving Credit Facility	2023	variable	\$ —	\$ —	\$ —	
Baltimore Term Loan	2024	variable	266	262	262	
CRC Term Loan	N/A	N/A	—	—	3,243	
CRC Incremental Term Loan	N/A	N/A	—	—	972	
CEI Revolving Credit Facility	2028	variable	—	—	—	
CEI Term Loan A	2028	variable	740	738	747	
CEI Term Loan B	2030	variable	2,500	2,446	—	
CRC Senior Secured Notes	2025	5.75%	989	980	979	
CEI Senior Secured Notes due 2025	2025	6.25%	3,400	3,364	3,360	
Convention Center Mortgage Loan ^(a)	2025	8.01%	400	400	400	
CEI Senior Secured Notes due 2030	2030	7.00%	2,000	1,976	—	
Unsecured Debt						
CEI Senior Notes due 2027	2027	8.125%	1,611	1,590	1,589	
CEI Senior Notes due 2029	2029	4.625%	1,200	1,186	1,186	
Special Improvement District Bonds	2037	4.30%	47	47	47	
Long-term notes and other payables			2	2	2	
Total debt			13,155	12,991	12,787	
Current portion of long-term debt			(68)	(68)	(108)	
Deferred finance charges associated with the CEI Revolving Credit Facility			—	(19)	(20)	
Long-term debt			<u>\$ 13,087</u>	<u>\$ 12,904</u>	<u>\$ 12,659</u>	
Unamortized discounts and deferred finance charges						
Fair value			\$ 13,082	\$ 183	\$ 318	

^(a) As described below, Convention Center Mortgage Loan was repaid on May 1, 2023.

Annual Estimated Debt Service Requirements as of March 31, 2023

<i>(In millions)</i>	Remaining		Years Ended December 31,				Thereafter	Total
	2023	2024	2025 ^(a)	2026	2027			
Annual maturities of long-term debt	\$ 51	\$ 329	\$ 4,854	\$ 65	\$ 1,676	\$ 6,180	\$ 13,155	
Estimated interest payments	550	860	830	520	510	790	4,060	
Total debt service obligation ^(b)	<u>\$ 601</u>	<u>\$ 1,189</u>	<u>\$ 5,684</u>	<u>\$ 585</u>	<u>\$ 2,186</u>	<u>\$ 6,970</u>	<u>\$ 17,215</u>	

^(a) Maturity of \$400 million in 2025 was repaid on May 1, 2023.

^(b) Debt principal payments are estimated amounts based on contractual maturity and scheduled repayment dates. Interest payments are estimated based on the forward-looking LIBOR and SOFR curve, where applicable. Actual payments may differ from these estimates.

Current Portion of Long-Term Debt

The current portion of long-term debt as of March 31, 2023 includes the principal payments on the term loans, other unsecured borrowings, and special improvement district bonds that are contractually due within 12 months. The Company may, from time to time, seek to repurchase or prepay its outstanding indebtedness. Any such purchases or repayments may be funded by existing cash balances or the incurrence of debt. The amount and timing of any repurchase will be based on business and market conditions, capital availability, compliance with debt covenants and other considerations.

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Debt Discounts or Premiums and Deferred Finance Charges

Debt discounts or premiums and deferred finance charges incurred in connection with the issuance of debt are amortized to interest expense based on the related debt agreements primarily using the effective interest method. Unamortized discounts are written off and included in our gain or loss calculations to the extent we extinguish debt prior to the original maturity or scheduled payment dates.

Fair Value

The fair value of debt has been calculated primarily based on the borrowing rates available as of March 31, 2023 and based on market quotes of our publicly traded debt. We classify the fair value of debt within Level 1 and Level 2 in the fair value hierarchy.

Terms of Outstanding Debt

Baltimore Term Loan and Baltimore Revolving Credit Facility

We consolidate the aggregate principal amount of Horseshoe Baltimore's senior secured term loan facility (the "Baltimore Term Loan") and amount outstanding, if any, under Horseshoe Baltimore's senior secured revolving credit facility (the "Baltimore Revolving Credit Facility"). The Baltimore Term Loan matures in July 2024 and is subject to a variable rate of interest calculated as London Interbank Offered Rate ("LIBOR") plus 4.00%. The Baltimore Revolving Credit Facility has borrowing capacity of up to \$10 million, subject to a variable rate of interest calculated as Term SOFR plus 4.00% subject to one 0.25% step-down based on senior secured leverage ratio, the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization. The Baltimore Revolving Credit Facility matures on July 7, 2023. As of March 31, 2023, there was \$10 million of available borrowing capacity under the Baltimore Revolving Credit Facility.

CRC Term Loan and CRC Incremental Term Loan

Caesars Resort Collection ("CRC") was party to a credit agreement, dated as of December 22, 2017 (as amended, the "CRC Credit Agreement"), which provided for, among other things, an initial \$4.7 billion seven-year senior secured term loan (the "CRC Term Loan"), and an incremental \$1.8 billion five-year senior secured term loan (the "CRC Incremental Term Loan").

The CRC Term Loan and the CRC Incremental Term Loan were subject to the terms described below prior to repayment. The Company repaid the \$3.4 billion outstanding principal amount of the CRC Term Loan and the \$1.0 billion outstanding principal amount of the CRC Incremental Term Loan on February 6, 2023, with proceeds from a new CEI Term Loan B and new CEI Senior Secured Notes due 2030, both of which are described below.

Borrowings under the CRC Credit Agreement were subject to interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan and (b) with respect to the CRC Incremental Term Loan, 3.50% per annum in the case of any LIBOR loan or 2.50% in the case of any base rate loan.

CEI Term Loans and CEI Revolving Credit Facility

CEI is party to a credit agreement, dated as of July 20, 2020, with JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent, and certain banks and other financial institutions and lenders party thereto (the "CEI Credit Agreement"), which, as amended, provides for the CEI Revolving Credit Facility in an aggregate principal amount of \$2.25 billion (the "CEI Revolving Credit Facility"). The CEI Revolving Credit Facility contains reserves of \$40 million which are available only for certain permitted uses.

On October 5, 2022, Caesars entered into a third amendment to the CEI Credit Agreement (the "Third Amendment") pursuant to which the Company (a) incurred a senior secured term loan in an aggregate principal amount of \$750 million (the "CEI Term Loan A") as a new term loan under the credit agreement, (b) amended and extended the CEI Revolving Credit Facility under the CEI Credit Agreement (the CEI Revolving Credit Facility, as so amended, the "Amended CEI Revolving Credit Facility" and, together with the CEI Term Loan A, the "Senior Credit Facilities"), (c) increased the aggregate principal amount of the CEI Revolving Credit Facility to \$2.25 billion, and (d) made certain other amendments to the CEI Credit Agreement. Both the Amended CEI Revolving Credit Facility and the new CEI Term Loan A mature on January 31, 2028, subject to a springing maturity in the event certain other long-term debt of Caesars is not extended or repaid. The Amended CEI Revolving Credit

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Facility includes a letter of credit sub-facility of \$388 million. The CEI Term Loan A requires scheduled quarterly payments in amounts equal to 1.25% of the original aggregate principal amount of the CEI Term Loan A, with the balance payable at maturity. The Company may make voluntary prepayments of the CEI Term Loan A at any time prior to maturity at par.

Borrowings under the Senior Credit Facilities bear interest at a rate equal to, at the Company's option, either (a) a forward-looking term rate based on the secured overnight financing rate ("SOFR") for the applicable interest period plus an adjustment of 0.10% per annum ("Adjusted Term SOFR"), subject to a floor of 0% or (b) a base rate (the "Base Rate") determined by reference to the highest of (i) the rate of interest per annum last quoted by The Wall Street Journal as the "Prime Rate" in the United States, (ii) the federal funds rate plus 0.50% per annum and (iii) the one-month Adjusted Term SOFR plus 1.00% per annum, in each case, plus an applicable margin. Such applicable margin is 2.25% per annum in the case of any Adjusted Term SOFR loan and 1.25% per annum in the case of any Base Rate loan, subject to three 0.25% step-downs based on the Company's net total leverage ratio. In addition, on a quarterly basis, the Company is required to pay each lender under the Amended CEI Revolving Credit Facility a commitment fee in respect of any unused commitments under the Amended CEI Revolving Credit Facility in the amount of 0.35% per annum of the principal amount of the unused commitments of such lender, subject to three 0.05% step-downs based on the Company's net total leverage ratio.

On February 6, 2023, Caesars entered into an Incremental Assumption Agreement No. 2 pursuant to which the Company incurred a new senior secured term loan facility in an aggregate principal amount of \$2.5 billion (the "CEI Term Loan B" and, together with the CEI Term Loan A, the "CEI Term Loans") as a new term loan under the CEI Credit Agreement. The CEI Term Loan B requires scheduled quarterly amortization payments in amounts equal to 0.25% of the original aggregate principal amount of the CEI Term Loan B, with the balance payable at maturity. Borrowings under the CEI Term Loan B bear interest at a rate equal to, at the Company's option, either (a) a forward-looking term rate based on the Adjusted Term SOFR, subject to a floor of 0.50% or (b) a base rate (the "Base Rate") determined by reference to the highest of (i) the Prime Rate in the United States, (ii) the federal funds rate plus 0.50% per annum and (iii) the one-month Adjusted Term SOFR plus 1.00% per annum, in each case, plus an applicable margin. Such applicable margin is 3.25% per annum in the case of any Adjusted Term SOFR loan and 2.25% per annum in the case of any Base Rate loan, subject to one 0.25% step-down based on the Company's net total leverage ratio. The CEI Term Loan B was issued at a price of 99.0% of the principal amount and will mature in February 2030.

The net proceeds from the CEI Term Loan B, along with the net proceeds from the issuance of the CEI Senior Secured Notes due 2030 described below, were used to repay the outstanding principal balance, including accrued and unpaid interest, of both the CRC Term Loan and the CRC Incremental Term Loan. Upon the termination of the CRC Term Loan and the CRC Incremental Term Loan, the Company recorded a loss on extinguishment of debt of \$197 million.

As of March 31, 2023, the Company had \$2.1 billion of available borrowing capacity under the CEI Revolving Credit Facility, after consideration of \$82 million in outstanding letters of credit, \$48 million committed for regulatory purposes and the reserves described above.

CRC Senior Secured Notes due 2025

On July 6, 2020, Colt Merger Sub, Inc. (the "Escrow Issuer") issued \$1.0 billion in aggregate principal amount of 5.75% Senior Secured Notes due 2025 pursuant to an indenture, dated July 6, 2020 (the "CRC Senior Secured Notes"), by and among the Escrow Issuer, U.S. Bank National Association, as trustee and Credit Suisse AG, Cayman Islands Branch, as collateral agent. The CRC Senior Secured Notes rank equally with all existing and future first priority lien obligations of CRC, CRC Finco, Inc. and the subsidiary guarantors. The CRC Senior Secured Notes will mature on July 1, 2025, with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year.

CEI Senior Secured Notes due 2025

On July 6, 2020, the Escrow Issuer issued \$3.4 billion in aggregate principal amount of 6.25% Senior Secured Notes due 2025 pursuant to an indenture dated July 6, 2020 (the "CEI Senior Secured Notes due 2025"), by and among the Escrow Issuer, U.S. Bank National Association, as trustee, and U.S. Bank National Association, as collateral agent. The CEI Senior Secured Notes due 2025 rank equally with all existing and future first-priority lien obligations of the Company and the subsidiary guarantors. The CEI Senior Secured Notes due 2025 will mature on July 1, 2025, with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year.

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Convention Center Mortgage Loan

On September 18, 2020, the Company entered into a loan agreement with a subsidiary of VICI Properties L.P., a Delaware limited partnership (“VICI”), to borrow a 5-year, \$400 million Forum Convention Center mortgage loan (the “Mortgage Loan”). The Mortgage Loan bears interest at a rate of, initially, 7.7% per annum, which escalates annually on the anniversary of the closing date to a maximum interest rate of 8.3% per annum. On May 1, 2023, the Company elected to prepay the outstanding \$400 million Mortgage Loan utilizing cash on hand. In connection with the repayment, the Company extended VICI’s call right relating to the CAESARS FORUM convention center from December 31, 2026 to December 31, 2028.

CEI Senior Secured Notes due 2030

On February 6, 2023, concurrently with the issuance of the CEI Term Loan B, the Company issued \$2.0 billion in aggregate principal amount of 7.00% senior secured notes (the “CEI Senior Secured Notes due 2030”) pursuant to an indenture by and among the Company, the subsidiary guarantors party thereto from time to time, U.S. Bank Trust Company, National Association, as trustee, and U.S. Bank National Association, as collateral agent. The CEI Senior Secured Notes due 2030 rank equally with all existing and future first-priority lien obligations of the Company and the subsidiary guarantors. The CEI Senior Secured Notes due 2030 will mature in February 2030, with interest paid semi-annually on February 15 and August 15 of each year, commencing August 15, 2023.

CEI Senior Notes due 2027

On July 6, 2020, the Escrow Issuer issued \$1.8 billion in aggregate principal amount of 8.125% Senior Notes due 2027 pursuant to an indenture, dated July 6, 2020 (the “CEI Senior Notes due 2027”), by and between the Escrow Issuer and U.S. Bank National Association, as trustee. The CEI Senior Notes due 2027 rank equally with all existing and future senior unsecured indebtedness of the Company and the subsidiary guarantors. The CEI Senior Notes due 2027 will mature on July 1, 2027, with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year.

CEI Senior Notes due 2029

On September 24, 2021, the Company issued \$1.2 billion in aggregate principal amount of 4.625% Senior Notes due 2029 (the “CEI Senior Notes due 2029”) pursuant to an indenture dated as of September 24, 2021, between the Company and U.S. Bank National Association, as trustee. The CEI Senior Notes due 2029 rank equally with all existing and future senior unsecured indebtedness of the Company and the subsidiary guarantors. The CEI Senior Notes due 2029 will mature on October 15, 2029, with interest payable on April 15 and October 15 of each year.

Debt Covenant Compliance

The Senior Credit Facilities, the CEI Term Loan B, the Baltimore Term Loan, the Baltimore Revolving Credit Facility and the indentures governing the CEI Senior Secured Notes due 2025, the CEI Senior Secured Notes due 2030, the CEI Senior Notes due 2027, the CRC Senior Secured Notes, and the CEI Senior Notes due 2029 contain covenants which are standard and customary for these types of agreements. These include negative covenants, which, subject to certain exceptions and baskets, limit the Company’s and its subsidiaries’ ability to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions.

Following the Third Amendment, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a maximum net total leverage ratio financial covenant of 7.25:1 until December 31, 2024 and 6.50:1 from and after December 31, 2024. In addition, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a minimum fixed charge coverage ratio financial covenant of 1.75:1 until December 31, 2024 and 2.0:1 from and after December 31, 2024. From and after the repayment of the CEI Term Loan A, the financial covenants applicable to the Amended CEI Revolving Credit Facility will be tested solely to the extent that certain testing conditions are satisfied. The Baltimore Revolving Credit Facility includes a net senior secured leverage ratio financial covenant of 5.0:1. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document.

As of March 31, 2023, the Company was in compliance with all of the applicable financial covenants described above.

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Guarantees

The Senior Credit Facilities, the CEI Term Loan B, the CEI Senior Secured Notes due 2025 and the CEI Senior Secured Notes due 2030 are guaranteed on a senior secured basis by each existing and future material wholly-owned domestic subsidiary of the Company (subject to certain exceptions including CRC and its subsidiaries) and are secured by substantially all of the existing and future property and assets of the Company and its subsidiary guarantors (subject to certain exceptions). The CEI Senior Notes due 2027 and the CEI Senior Notes due 2029 are guaranteed on a senior unsecured basis by such subsidiaries.

The CRC Senior Secured Notes are guaranteed on a senior secured basis by each existing and future material wholly-owned domestic subsidiary of CRC (subject to certain exceptions) and are secured by substantially all of the existing and future property and assets of CRC and its subsidiary guarantors (subject to certain exceptions). The CRC Senior Secured Notes are also guaranteed on a senior unsecured basis by the Company.

Note 9. Revenue Recognition

The Company's Statements of Operations present net revenue disaggregated by type or nature of the good or service. A summary of net revenues disaggregated by type of revenue and reportable segment is presented below. Refer to Note 14 for additional information on the Company's reportable segments.

<i>(In millions)</i>	Three Months Ended March 31, 2023					
	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino	\$ 309	\$ 1,058	\$ 219	\$ —	\$ (1)	\$ 1,585
Food and beverage	290	137	—	—	—	427
Hotel	373	130	—	—	—	503
Other	159	64	19	69	4	315
Net revenues	<u>\$ 1,131</u>	<u>\$ 1,389</u>	<u>\$ 238</u>	<u>\$ 69</u>	<u>\$ 3</u>	<u>\$ 2,830</u>

<i>(In millions)</i>	Three Months Ended March 31, 2022					
	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino	\$ 291	\$ 1,070	\$ (69)	\$ —	\$ —	\$ 1,292
Food and beverage	220	119	—	—	—	339
Hotel	266	117	—	—	—	383
Other	137	57	16	66	2	278
Net revenues	<u>\$ 914</u>	<u>\$ 1,363</u>	<u>\$ (53)</u>	<u>\$ 66</u>	<u>\$ 2</u>	<u>\$ 2,292</u>

Accounts Receivable, Net

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Casino	\$ 215	\$ 259
Food and beverage and hotel	141	144
Other	187	208
Accounts receivable, net	<u>\$ 543</u>	<u>\$ 611</u>

Contract and Contract-Related Liabilities

The Company records contract or contract-related liabilities related to differences between the timing of cash receipts from the customer and the recognition of revenue. The Company generally has three types of liabilities related to contracts with customers: (1) outstanding chip liability, which represents the amounts owed in exchange for gaming chips held by customers, (2) Caesars Rewards player loyalty program obligations, which represent the deferred allocation of revenue relating to reward credits granted to Caesars Rewards members based on certain types of customer spend, including online and retail gaming, hotel, dining, retail shopping, and player loyalty program incentives earned, and (3) customer deposits and other deferred revenue, which primarily represents funds deposited by customers related to gaming play and advance payments received for goods and services yet to be provided (such as advance ticket sales, deposits on rooms and convention space, unpaid wagers, iGaming deposits, or future sports bets). These liabilities are generally expected to be recognized as revenue within one year of being purchased, earned, or deposited and are recorded within Accrued other liabilities on the Company's Balance Sheets. Liabilities expected to be recognized as revenue beyond one year of being purchased, earned, or deposited are recorded within Other long-term liabilities on the Company's Balance Sheets.

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The following table summarizes the activity related to contract and contract-related liabilities:

<i>(In millions)</i>	<u>Outstanding Chip Liability</u>		<u>Caesars Rewards</u>		<u>Customer Deposits and Other Deferred Revenue</u>	
	2023	2022	2023	2022	2023	2022
Balance at January 1	\$ 45	\$ 48	\$ 87	\$ 91	\$ 693	\$ 560
Balance at March 31	38	37	89	96	637	625
Increase / (decrease)	\$ (7)	\$ (11)	\$ 2	\$ 5	\$ (56)	\$ 65

Lease Revenue

Lodging Arrangements

Lodging arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of the fees charged for lodging. The nonlease components primarily consist of resort fees and other miscellaneous items. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. During the three months ended March 31, 2023 and 2022, we recognized approximately \$503 million and \$383 million, respectively, which is included in Hotel revenues in the Statements of Operations.

Conventions

Convention arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of fees charged for the use of meeting space. The nonlease components primarily consist of food and beverage and audio/visual services. Revenue from conventions is included in Other revenue in the Statements of Operations and during the three months ended March 31, 2023 and 2022, lease revenue related to conventions was approximately \$14 million and \$6 million, respectively.

Real Estate Operating Leases

Real estate lease revenue is included in Other revenue in the Statements of Operations. During the three months ended March 31, 2023 and 2022, we recognized approximately \$37 million and \$36 million, respectively, of real estate lease revenue.

Real estate lease revenue includes \$14 million and \$12 million of variable rental income for the three months ended March 31, 2023 and 2022, respectively.

Note 10. Earnings per Share

The following table illustrates the reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share computations for the three months ended March 31, 2023 and 2022:

<i>(In millions, except per share data)</i>	<u>Three Months Ended March 31,</u>	
	2023	2022
Net loss from continuing operations attributable to Caesars, net of income taxes	\$ (136)	\$ (451)
Discontinued operations, net of income taxes	—	(229)
Net loss attributable to Caesars	\$ (136)	\$ (680)
Shares outstanding:		
Weighted average shares outstanding – basic	215	214
Weighted average shares outstanding – diluted	215	214
Basic loss per share from continuing operations	\$ (0.63)	\$ (2.11)
Basic loss per share from discontinued operations	—	(1.07)
Net loss per common share attributable to common stockholders – basic:	\$ (0.63)	\$ (3.18)
Diluted loss per share from continuing operations	\$ (0.63)	\$ (2.11)
Diluted loss per share from discontinued operations	—	(1.07)
Net loss per common share attributable to common stockholders – diluted:	\$ (0.63)	\$ (3.18)

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

For a period in which the Company generated a net loss from continuing operations, the Weighted average shares outstanding - basic was used in calculating Diluted loss per share because using diluted shares would have been anti-dilutive to loss per share.

Weighted-Average Number of Anti-Dilutive Shares Excluded from the Calculation of Earnings per Share

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Stock-based compensation awards	4	3
Total anti-dilutive common stock	4	3

Note 11. Stock-Based Compensation and Stockholders' Equity

Stock-Based Awards

The Company maintains long-term incentive plans which allow for granting stock-based compensation awards for directors, employees, officers, and consultants or advisers who render services to the Company or its subsidiaries, based on Company Common Stock, including stock options, restricted stock, restricted stock units ("RSUs"), performance stock units ("PSUs"), market-based performance stock units ("MSUs"), stock appreciation rights, and other stock-based awards or dividend equivalents. Forfeitures are recognized in the period in which they occur.

Total stock-based compensation expense in the accompanying Statements of Operations totaled \$27 million and \$25 million during the three months ended March 31, 2023 and 2022, respectively. These amounts are included in Corporate expense in the Company's Statements of Operations.

2015 Equity Incentive Plan ("2015 Plan")

During the three months ended March 31, 2023, as part of the annual incentive program, the Company granted 1.4 million RSUs to eligible participants with an aggregate fair value of \$72 million and a ratable vesting period of one to three years. Each RSU represents the right to receive payment in respect of one share of the Company's Common Stock.

During the three months ended March 31, 2023, the Company also granted 186 thousand PSUs that are scheduled to vest over a period of two to three years. On the vesting date, recipients will receive between 0% and 200% of the target number of PSUs granted, in the form of Company Common Stock, based on the achievement of specified performance and service conditions. The fair value of the PSUs is based on the market price of our common stock when a mutual understanding of the key terms and conditions of the awards between the Company and recipient is achieved. The awards are remeasured each period until such an understanding is reached. The aggregate value of PSUs granted during the year was \$9 million as of March 31, 2023.

In addition, during the three months ended March 31, 2023, the Company granted 367 thousand MSUs that are scheduled to cliff vest over a period of one to three years. On the vesting date, recipients will receive between 0% and 200% of the target number of MSUs granted, in the form of Company Common Stock, based on the achievement of specified market and service conditions. The grant date fair value of the MSUs was determined using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient. The effect of market conditions is considered in determining the grant date fair value, which is not subsequently revised based on actual performance. The aggregate value of MSUs granted during the three months ended March 31, 2023 was \$30 million.

During the three months ended March 31, 2023, there were no grants of stock options and 88 stock options were exercised. In addition, during the three months ended March 31, 2023, 539 thousand, 229 thousand and 3 thousand of RSUs, PSUs and MSUs, respectively, vested under the 2015 Plan.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Outstanding at End of Period

	March 31, 2023		December 31, 2022	
	Quantity	Wtd-Avg ^(a)	Quantity	Wtd-Avg ^(a)
Stock options	—	\$ —	88	\$ 30.63
Restricted stock units	2,644,442	59.47	1,863,481	66.87
Performance stock units	340,260	48.35	383,157	51.73
Market-based stock units	1,105,039	82.26	741,803	83.24

^(a) Represents the weighted-average exercise price for stock options, weighted-average grant date fair value for RSUs, weighted-average grant date fair value for PSUs where the grant date has been achieved, the price of CEI common stock as of the balance sheet date for PSUs where a grant date has not been achieved, and the grant date fair value of the MSUs determined using the Monte-Carlo simulation model.

Share Repurchase Program

In November 2018, the Company’s Board of Directors authorized a \$150 million common stock repurchase program (the “Share Repurchase Program”) pursuant to which the Company may, from time to time, repurchase shares of common stock on the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The Share Repurchase Program has no time limit and may be suspended or discontinued at any time without notice. There is no minimum number of shares of common stock that the Company is required to repurchase under the Share Repurchase Program.

As of March 31, 2023, the Company has acquired 223,823 shares of common stock under the Share Repurchase Program at an aggregate value of \$9 million and an average of \$40.80 per share. No shares were repurchased during the three months ended March 31, 2023 and 2022.

Note 12. Income Taxes

The Company’s provision for income taxes during interim reporting periods has historically been calculated by applying an estimate of the annual effective tax rate for the full year to “ordinary” income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period. We utilized a discrete effective tax rate method, as allowed by ASC 740-270 “Income Taxes, Interim Reporting,” to calculate taxes for the three months ended March 31, 2023. We determined that small changes in estimated “ordinary” income would result in significant changes in the estimated annual effective tax rate, and therefore, the historical method would not provide a reliable estimate for the three months ended March 31, 2023.

Income Tax Allocation

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Loss from continuing operations before income taxes	\$ (185)	\$ (558)
Benefit for income taxes	49	107
Effective tax rate	26.5 %	19.2 %

We classify accruals for uncertain tax positions within Other long-term liabilities on the Balance Sheets, separate from any related income tax payable or deferred income taxes. Reserve amounts relate to any potential income tax liabilities resulting from uncertain tax positions as well as potential interest or penalties associated with those liabilities.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. We have provided a valuation allowance on certain federal, state and foreign deferred tax assets that were not deemed realizable based upon estimates of future taxable income.

The income tax benefit for the three months ended March 31, 2023 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to state deferred tax benefits generated from net operating losses becoming available due to elections to treat certain subsidiary corporations as disregarded entities for income tax purposes.

The income tax benefit for the three months ended March 31, 2022 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to nondeductible expenses and state income taxes.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

The Company, including its subsidiaries, files tax returns with federal, state, and foreign jurisdictions. The Company does not have tax sharing agreements with the other members within its consolidated group. The Company is subject to exam by various state and foreign tax authorities. With few exceptions, the Company is no longer subject to US federal or state and local tax assessments by tax authorities for years before 2019, and it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

Note 13. Related Affiliates

REI

As of March 31, 2023, Recreational Enterprises, Inc. (“REI”) owned approximately 4.0% of outstanding common stock of the Company. The directors of REI are the Company’s Executive Chairman of the Board, Gary L. Carano, its Chief Executive Officer and Board member, Thomas R. Reeg, and its Vice President of Player Development, Gene Carano. In addition, Gary L. Carano also serves as the Vice President of REI and Gene Carano also serves as the Secretary and Treasurer of REI. Members of the Carano family, including Gary L. Carano and Gene Carano, own the equity interests in REI. During the three months ended March 31, 2023 and 2022, there were no related party transactions between the Company and the Carano family other than compensation, including salary and equity incentives, and the CSY Lease listed below.

C. S. & Y. Associates

The Company owns the entire parcel on which Eldorado Reno is located, except for approximately 30,000 square feet which is leased from C. S. & Y. Associates (“CSY”) which is an entity partially owned by REI (the “CSY Lease”). The CSY Lease expires on June 30, 2057. Annual rent pursuant to the CSY Lease is currently \$0.6 million, paid monthly. Annual rent is subject to periodic rent escalations through the term of the lease. As of March 31, 2023 and December 31, 2022, there were no amounts due to or from CSY.

Note 14. Segment Information

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a “significant market” basis. Management views each of the Company’s casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. The Company’s principal operating activities occur in four reportable segments. The reportable segments are based on the similar characteristics of the operating segments with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between these reportable segments within Caesars: (1) Las Vegas, (2) Regional, (3) Caesars Digital, and (4) Managed and Branded, in addition to Corporate and Other. See table below for a summary of these segments. Also, see Note 4 and Note 5 for a discussion of any impairment of intangibles or long-lived assets related to certain segments, when applicable.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

The following table sets forth certain information regarding our properties (listed by segment in which each property is reported) as of March 31, 2023:

Las Vegas	Regional		Managed and Branded
Caesars Palace Las Vegas	Caesars Atlantic City	Horseshoe Black Hawk	<i>Managed</i>
The Cromwell	Circus Circus Reno	Horseshoe Bossier City	Harrah's Ak-Chin
Flamingo Las Vegas	Eldorado Gaming Scioto Downs	Horseshoe Council Bluffs	Harrah's Cherokee
Harrah's Las Vegas	Eldorado Resort Casino Reno	Horseshoe Hammond	Harrah's Cherokee Valley River
Horseshoe Las Vegas	Grand Victoria Casino	Horseshoe Indianapolis	Harrah's Resort Southern California
The LINQ Hotel & Casino	Harrah's Atlantic City	Horseshoe Lake Charles	Caesars Windsor
Paris Las Vegas	Harrah's Council Bluffs	Horseshoe St. Louis	Caesars Dubai
Planet Hollywood Resort & Casino	Harrah's Gulf Coast	Horseshoe Tunica	<i>Branded</i>
Rio All-Suite Hotel & Casino	Harrah's Hoosier Park Racing & Casino	Isle Casino Bettendorf	Caesars Southern Indiana
	Harrah's Joliet	Isle of Capri Casino Boonville	Harrah's Northern California
Caesars Digital	Harrah's Lake Tahoe	Isle of Capri Casino Lula	
Caesars Digital	Harrah's Laughlin	Isle Casino Waterloo	
	Harrah's Metropolis	Lady Luck Casino - Black Hawk	
	Harrah's New Orleans	Silver Legacy Resort Casino	
	Harrah's North Kansas City	Trop Casino Greenville	
	Harrah's Philadelphia	Tropicana Atlantic City	
	Harrah's Pompano Beach	Tropicana Laughlin Hotel & Casino	
	Harveys Lake Tahoe		
	Horseshoe Baltimore		

Certain of our properties operate off-track betting locations, including Harrah's Hoosier Park Racing & Casino, which operates Winner's Circle Indianapolis and Winner's Circle New Haven, and Horseshoe Indianapolis, which operates Winner's Circle Clarksville. The LINQ Promenade is an open-air dining, entertainment, and retail promenade located on the east side of the Las Vegas Strip next to The LINQ Hotel & Casino (the "LINQ") that features the High Roller, a 550-foot observation wheel, and the Fly LINQ Zipline attraction. We also own the CAESARS FORUM convention center, which is a 550,000 square feet conference center with 300,000 square feet of flexible meeting space, two of the largest pillarless ballrooms in the world and direct access to the LINQ.

Corporate and Other includes certain unallocated corporate overhead costs and other adjustments, including eliminations of transactions among segments, to reconcile to the Company's consolidated results.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

The following table sets forth, for the periods indicated, certain operating data for the Company's four reportable segments, in addition to Corporate and Other.

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Las Vegas:		
Net revenues	\$ 1,131	\$ 914
Adjusted EBITDA	533	400
Regional:		
Net revenues	1,389	1,363
Adjusted EBITDA	448	459
Caesars Digital:		
Net revenues	238	(53)
Adjusted EBITDA	(4)	(554)
Managed and Branded:		
Net revenues	69	66
Adjusted EBITDA	19	20
Corporate and Other:		
Net revenues	3	2
Adjusted EBITDA	(38)	(29)

Reconciliation of Net Income (Loss) Attributable to Caesars to Adjusted EBITDA by Segment

Adjusted EBITDA is presented as a measure of the Company's performance. Adjusted EBITDA is defined as revenues less certain operating expenses and is comprised of net income (loss) before (i) interest income and interest expense, net of interest capitalized, (ii) income tax (benefit) provision, (iii) depreciation and amortization, and (iv) certain items that we do not consider indicative of our ongoing operating performance at an operating property level.

In evaluating Adjusted EBITDA you should be aware that, in the future, we may incur expenses that are the same or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual or unexpected items.

Adjusted EBITDA is a financial measure commonly used in our industry and should not be construed as an alternative to net income (loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies within the industry. Adjusted EBITDA is included because management uses Adjusted EBITDA to measure performance and allocate resources, and believes that Adjusted EBITDA provides investors with additional information consistent with that used by management.

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CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Net loss attributable to Caesars	\$ (136)	\$ (680)
Net loss from discontinued operations	—	229
Benefit for income taxes	(49)	(107)
Other income	(3)	(4)
Loss on extinguishment of debt	197	—
Interest expense, net	594	552
Depreciation and amortization	300	300
Transaction costs and other, net ^(a)	28	(19)
Stock-based compensation expense	27	25
Adjusted EBITDA	<u>\$ 958</u>	<u>\$ 296</u>
Adjusted EBITDA by Segment:		
Las Vegas	\$ 533	\$ 400
Regional	448	459
Caesars Digital	(4)	(554)
Managed and Branded	19	20
Corporate and Other	(38)	(29)

^(a) Transaction costs and other, net for the three months ended March 31, 2023 primarily includes pre-opening costs in connection with new property openings, professional services for integration activities and non-cash changes in equity method investments. Transaction costs and other, net for the three months ended March 31, 2022 primarily represents a gain resulting from insurance proceeds received in excess of the respective carrying value of the assets damaged at Isle of Capri Casino Hotel Lake Charles by Hurricane Laura.

Total Assets - By Segment

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Las Vegas	\$ 23,767	\$ 23,547
Regional	15,003	14,908
Caesars Digital	1,085	1,200
Managed and Branded	149	140
Corporate and Other ^(a)	(6,655)	(6,268)
Total	<u>\$ 33,349</u>	<u>\$ 33,527</u>

^(a) Includes eliminations of transactions among segments, to reconcile to the Company's consolidated results.

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Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial position and operating results of Caesars Entertainment, Inc., a Delaware corporation, and its consolidated subsidiaries, which may be referred to as the “Company,” “CEI,” “Caesars,” “we,” “our,” or “us,” for the three months ended March 31, 2023 and 2022 should be read in conjunction with the unaudited consolidated condensed financial statements and the notes thereto and other financial information included elsewhere in this Form 10-Q as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the “2022 Annual Report”). Capitalized terms used but not defined in this Form 10-Q have the same meanings as in the 2022 Annual Report.

We refer to (i) our Consolidated Condensed Financial Statements as our “Financial Statements,” (ii) our Consolidated Condensed Balance Sheets as our “Balance Sheets,” (iii) our Consolidated Condensed Statements of Operations and Consolidated Condensed Statements of Comprehensive Income (Loss) as our “Statements of Operations,” and (iv) our Consolidated Condensed Statements of Cash Flows as our “Statements of Cash Flows.” References to numbered “Notes” refer to “Notes to Consolidated Condensed Financial Statements” included in Item 1, “Unaudited Financial Statements,” unless otherwise noted.

The statements in this discussion regarding our expectations of our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See “CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION” in this report.

Objective

Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to be a narrative explanation of the financial statements and other statistical data that should be read in conjunction with the accompanying financial statements to enhance an investor’s understanding of our financial condition, changes in financial condition and results of operations. Our objectives are: (i) to provide a narrative explanation of our financial statements that will enable investors to see the Company through the eyes of management; (ii) to enhance the overall financial disclosure and provide the context within which financial information should be analyzed; and (iii) to provide information about the quality of, and potential variability of, our earnings and cash flows so that investors can ascertain the likelihood of whether past performance is indicative of future performance.

Overview

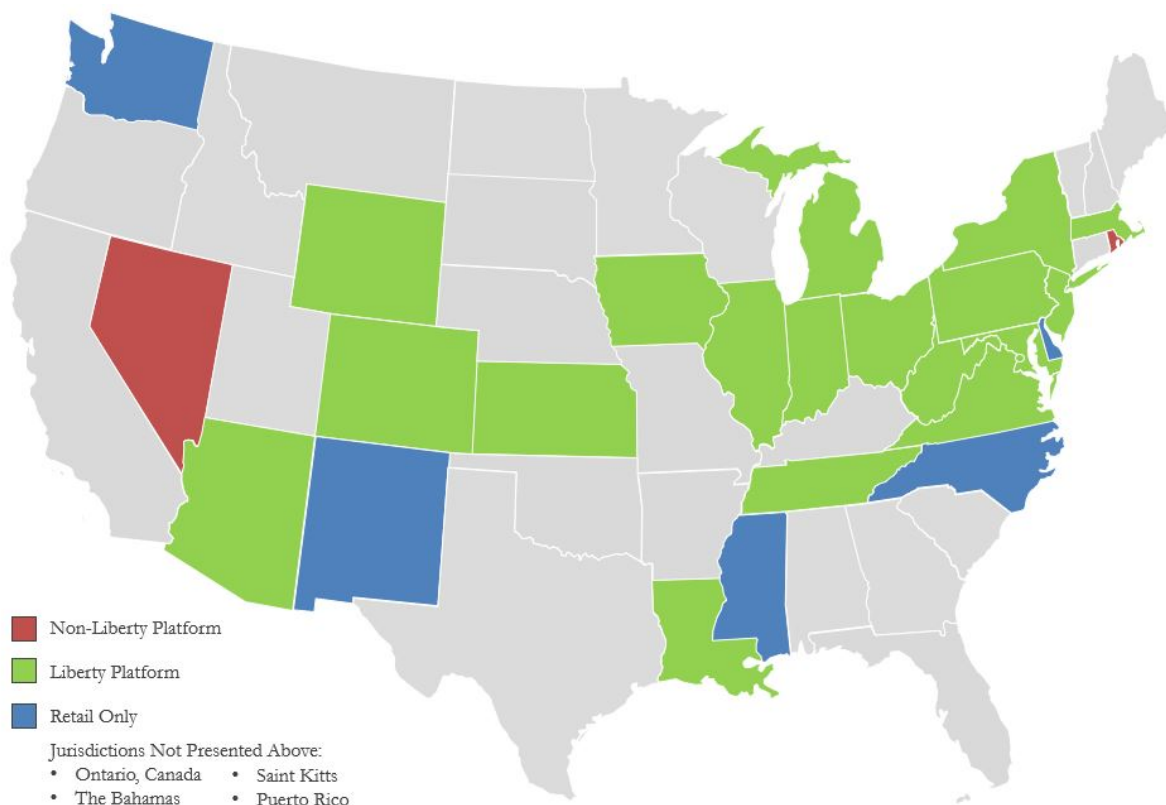
We are a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. Beginning in 2005, we grew through a series of acquisitions, including the acquisition of MTR Gaming Group, Inc. in 2014, Isle of Capri Casinos, Inc. in 2017, Tropicana Entertainment, Inc. in 2018, Caesars Entertainment Corporation in 2020, and William Hill PLC on April 22, 2021. Our ticker symbol on the NASDAQ Stock Market is “CZR.”

We own, lease or manage an aggregate of 51 domestic properties in 16 states with approximately 52,100 slot machines, video lottery terminals and e-tables, approximately 2,800 table games and approximately 47,200 hotel rooms as of March 31, 2023. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. Our primary source of revenue is generated by our casino properties’ gaming operations, our retail and online sports betting, as well as our online gaming, and we utilize our hotels, restaurants, bars, entertainment, racing, retail shops and other services to attract customers to our properties.

As of March 31, 2023, we owned 20 of our casinos and leased 25 casinos in the U.S. We lease 18 casinos from VICI Properties L.P., a Delaware limited partnership (“VICI”), pursuant to a regional lease, a Las Vegas lease and a Joliet lease (the “VICI Leases”). In addition, we lease six casinos from GLP Capital, L.P., the operating partnership of Gaming and Leisure Properties, Inc. (“GLPI”) pursuant to a Master Lease (as amended, the “GLPI Master Lease”) and a Lumière lease associated with our Horseshoe St. Louis property (together with the GLPI Master Lease, the “GLPI Leases”) and lease the Rio All-Suite Hotel & Casino from a separate third party.

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We also operate and conduct sports wagering across 30 jurisdictions in North America, 22 of which offer mobile sports betting, and operate regulated online real money gaming in six jurisdictions in North America. Our Caesars Sportsbook app operates on the Liberty platform and we maintain other technology platforms that we intend to migrate to the Liberty platform in the future, subject to required approvals. The map below illustrates Caesars Digital’s presence as of March 31, 2023:



In 2022 we partnered with NYRABets LLC, the official online wagering platform of the New York Racing Association, Inc., and launched the Caesars Racebook app which operates in 13 states as of March 31, 2023. The Caesars Racebook app provides access for pari-mutuel wagering at over 300 racetracks around the world as well as livestreaming of races. Wagers placed can earn credits towards our Caesars Rewards loyalty program or points which can be redeemed for free wagering credits.

We are also in the process of expanding our Caesars Digital footprint into other states in the near term with our Caesars Sportsbook and Caesars Racebook apps as jurisdictions legalize or provide necessary approvals. No customers under 21 years old are allowed to wager on any of our Caesars Sportsbook, Caesars Racebook and iGaming mobile apps.

We periodically divest of assets in order to raise capital, as a result of a determination that the assets are not core to our business, or due to regulatory requirement. A summary of recently completed divestitures of our properties as of March 31, 2023 is as follows:

Segment	Property	Date Sold	Sales Price
Regional	Belle of Baton Rouge Casino & Hotel	May 5, 2022	*
<u>Discontinued operations:</u>			
N/A	William Hill International	July 1, 2022	£2.0 billion

* Not meaningful.

Investments and Partnerships

Pompano Joint Venture

In April 2018, we entered into a joint venture with Cordish Companies (“Cordish”) to plan and develop a mixed-use entertainment and hospitality destination expected to be located on unused land adjacent to the casino at our Pompano property. As the managing member, Cordish will operate the business and manage the development, construction, financing, marketing, leasing, maintenance and day-to-day operation of the various phases of the project. Additionally, Cordish will be responsible for the development of the master plan for the project with our input and will submit it for our review and approval.

While we hold a 50% variable interest in the joint venture, we are not the primary beneficiary; as such the investment in the joint venture is accounted for using the equity method. We participate evenly with Cordish in the profits and losses of the joint venture, which are included in Transaction and other costs, net on our Statements of Operations. As of March 31, 2023 and December 31, 2022, our investment in the joint venture was \$81 million and \$80 million, respectively, and is recorded in Investments in and advances to unconsolidated affiliates on the Balance Sheets. We have no further obligation to contribute additional real estate or cash as of March 31, 2023.

NeoGames

We held an investment in NeoGames S.A., a global leader of iLottery solutions and services to national and state-regulated lotteries, and other investments. On March 14, 2022, we sold our investment at fair value for \$26 million and recorded a loss of \$34 million during the three months ended March 31, 2022, which is included within Other income on the Statements of Operations.

Reportable Segments

Segment results in this MD&A are presented consistent with the way our management reviews operating results, assesses performance and makes decisions on a “significant market” basis. Management views each of the Company’s casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. Our principal operating activities occur in four reportable segments: (1) Las Vegas, (2) Regional, (3) Caesars Digital, and (4) Managed and Branded, in addition to Corporate and Other.

Presentation of Financial Information

The presentation of financial information herein for the periods after the sale of our recently completed divestitures, described above, is not fully comparable to the periods prior to their respective sale dates.

This MD&A is intended to provide information to assist in better understanding and evaluating our financial condition and results of operations. Our historical operating results may not be indicative of our future results of operations because of the factors described in the preceding paragraph and the changing competitive landscape in each of our markets, including changes in market and societal trends, as well as by factors discussed elsewhere herein. We recommend that you read this MD&A in conjunction with our unaudited Financial Statements and the notes to those statements included in this Quarterly Report on Form 10-Q.

Key Performance Metrics

Our primary source of revenue is generated by our gaming operations, our retail and online sports betting, as well as our online gaming. Additionally, we utilize our hotels, restaurants, bars, entertainment venues, retail shops, racing and other services to attract customers to our properties. Our operating results are highly dependent on the volume and quality of customers staying at, or visiting, our properties and using our sports betting and iGaming applications.

Key performance metrics include volume indicators such as drop or handle, which refer to amounts wagered by our customers. The amount of volume we retain, which is not fully controllable by us, is recognized as casino revenues and is referred to as our win or hold. Slot win percentage is typically in the range of approximately 9% to 11% of slot handle for both the Las Vegas and Regional segments. Table game hold percentage is typically in the range of approximately 16% to 23% of table game drop in both the Las Vegas and Regional segments. Sports betting hold is typically in the range of 5% to 9% and iGaming hold typically ranges from 3% to 4%. In addition, hotel occupancy, which is the average percentage of available hotel rooms occupied during a period, is a key indicator for our hotel business in the Las Vegas segment. See “Results of Operations” section below. Complimentary rooms are treated as occupied rooms in our calculation of hotel occupancy. The key metrics we utilize to measure our profitability and performance are Adjusted EBITDA and Adjusted EBITDA margin.

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Significant Factors Impacting Financial Results

The following summary highlights the significant factors impacting our financial results for the three months ended March 31, 2023 and 2022:

- *Weather and Construction Disruptions* – During the three months ended March 31, 2023, our Regional segment was negatively impacted by severe winter weather, particularly in northern Nevada, which caused poor and unsafe travel conditions reducing visitation to our Lake Tahoe and Reno properties. Additionally, in late August 2020, our Regional segment was negatively impacted by Hurricane Laura, causing severe damage to Isle of Capri Casino Hotel Lake Charles. As a result of the damage, the property remained closed during the construction of our new land-based casino, Horseshoe Lake Charles, which was completed and reopened in December 2022. During the three months ended March 31, 2022, we received insurance proceeds to replace damaged property which were in excess of the respective carrying value of the damaged assets, resulting in a gain of \$38 million which is included in Transaction and other costs, net in our Statements of Operations.
- *Caesars Sportsbook and Caesars Racebook* – As new states and jurisdictions have legalized sports betting, we have made varying degrees of upfront investments which have been executed through marketing campaigns and promotional incentives to acquire new customers and establish our presence in the new state or jurisdiction. In connection with the launch of our Caesars Sportsbook app in the state of New York and Louisiana in January 2022, we experienced negative net revenue in the first quarter of 2022 resulting from a substantial amount of bonus cash and matched deposits issued to customers as sign-on incentives, which exceeded our gaming win. We continue to adjust our level of investment during the launch period in new jurisdictions based, in part, on prior experience and do not expect such investment to continue at elevated levels subsequent to the initial launch period. During the three months ended March 31, 2023, promotional and marketing expenses have significantly decreased as a result of these efforts, as compared to the prior year period.
- *Economic Factors Impacting Discretionary Spending* – Gaming and other leisure activities we offer represent discretionary expenditures which may be sensitive to economic downturns, such as the resurgence of the Omicron variant of COVID-19 that negatively impacted the first quarter of 2022. We also monitor the recent trends, including higher inflation and interest rates, and the related effects on our customers, and our operations.
- *Divestitures and Discontinued Operations* – See “Overview” section above for detail on properties divested, including related discontinued operations.

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Results of Operations

The following table highlights the results of our operations:

<i>(Dollars in millions)</i>	Three Months Ended March 31,	
	2023	2022
Net revenues:		
Las Vegas	\$ 1,131	\$ 914
Regional	1,389	1,363
Caesars Digital	238	(53)
Managed and Branded	69	66
Corporate and Other ^(a)	3	2
Total	<u>\$ 2,830</u>	<u>\$ 2,292</u>
Net loss	\$ (136)	\$ (680)
Adjusted EBITDA ^(b):		
Las Vegas	\$ 533	\$ 400
Regional	448	459
Caesars Digital	(4)	(554)
Managed and Branded	19	20
Corporate and Other ^(a)	(38)	(29)
Total	<u>\$ 958</u>	<u>\$ 296</u>
Net loss margin	(4.8)%	(29.7)%
Adjusted EBITDA margin	33.9 %	12.9 %

^(a) Corporate and Other includes revenues related to certain licensing arrangements and various revenue sharing agreements. Corporate and Other Adjusted EBITDA includes corporate overhead costs, which consist of certain expenses, such as: payroll, professional fees and other general and administrative expenses.

^(b) See the "Supplemental Unaudited Presentation of Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") for the three months ended March 31, 2023 and 2022" discussion later in this MD&A for a definition of Adjusted EBITDA and a reconciliation of net income (loss) to Adjusted EBITDA.

Consolidated comparison of the three months ended March 31, 2023 and 2022

Net Revenues

Net revenues were as follows:

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Casino	\$ 1,585	\$ 1,292	\$ 293	22.7 %
Food and beverage	427	339	88	26.0 %
Hotel	503	383	120	31.3 %
Other	315	278	37	13.3 %
Net revenues	<u>\$ 2,830</u>	<u>\$ 2,292</u>	<u>\$ 538</u>	<u>23.5 %</u>

Consolidated net revenues increased for the three months ended March 31, 2023 primarily due to improved gaming volumes, particularly in the Las Vegas segment, and increased occupancy and room rates due to strong leisure, group and convention demand. Additionally, in December 2022, Horseshoe Lake Charles reopened after its closure in 2020 due to severe damage from Hurricane Laura. Net revenues within the Caesars Digital segment increased significantly versus the prior year period due to a reduction in promotional allowances for new state launches coupled with higher hold. The Omicron variant of COVID-19 negatively impacted prior year results during the first quarter of 2022, including disruptions to convention and banquets, as well as disruptions to scheduled concert events. The Company continues to remain strategic with expanded partnerships with iconic entertainers to put on concerts and performances, and celebrity chefs to offer new food and beverage venues and menu options. Inclement weather across the country, particularly in northern Nevada, restricted travel and negatively offset these results.

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Operating Expenses

Operating expenses were as follows:

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Casino	\$ 828	\$ 1,064	\$ (236)	(22.2)%
Food and beverage	251	202	49	24.3 %
Hotel	137	115	22	19.1 %
Other	107	88	19	21.6 %
General and administrative	509	499	10	2.0 %
Corporate	79	69	10	14.5 %
Depreciation and amortization	300	300	—	— %
Transaction and other costs, net	16	(35)	51	*
Total operating expenses	\$ 2,227	\$ 2,302	\$ (75)	(3.3)%

* Not meaningful.

Casino expenses consist principally of salaries and wages associated with our gaming operations, gaming taxes and marketing and promotions costs attributable to our Caesars Digital segment. Food and beverage expenses consist principally of salaries and wages and costs of goods sold associated with our food and beverage operations. Hotel expenses consist principally of salaries, wages and supplies associated with our hotel operations. Other expenses consist principally of salaries and wages, costs of goods sold and professional talent fees associated with our retail, entertainment and other operations.

Casino expenses decreased for the three months ended March 31, 2023 as compared to the same prior year period as the first quarter of 2022 included significant advertising costs directly attributable to our Caesars Digital segment, due to promotion of our Caesars Sportsbook app and its expansion into new jurisdictions. Operating expenses have increased in connection with increased revenues, however, we continue to focus on labor efficiencies to manage rising labor costs and strategically manage our marketing and promotional spend to reduce our casino expenses. Similarly, we continue to manage recent increases in food costs by focusing on efficiencies within food and beverage venues and menu options.

General and administrative expenses include items such as information technology, facility maintenance, utilities, property and liability insurance, expenses for administrative departments such as accounting, compliance, purchasing, human resources, legal, internal audit, property taxes and marketing expenses indirectly related to our gaming and non-gaming operations. General and administrative expenses have remained comparable to the prior year period.

Transaction and other costs, net increased for the three months ended March 31, 2023 as compared to the same prior year period, mainly due to a gain of approximately \$38 million recorded in the first quarter of 2022 as proceeds received for the Isle of Capri Casino Hotel Lake Charles property damage were in excess of the respective carrying value of the assets.

Other income (expenses)

Other income (expenses) were as follows:

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Interest expense, net	\$ (594)	\$ (552)	\$ (42)	(7.6)%
Loss on extinguishment of debt	(197)	—	(197)	*
Other income	3	4	(1)	(25.0)%
Benefit for income taxes	49	107	(58)	(54.2)%

* Not meaningful.

Interest expense, net increased for the three months ended March 31, 2023, as compared to the same prior year period due to rising interest rates related to our variable rate debt. Further, our financing obligations related to our VICI Leases contain annual escalators, including escalators based on the Consumer Price Index ("CPI"), which take effect in November of each year and have resulted in increased interest expense year over year.

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For the three months ended March 31, 2023, loss on extinguishment of debt was related to the early prepayments of the Caesars Resort Collection (“CRC”) Term Loan and the CRC Incremental Term Loan.

The income tax benefit for the three months ended March 31, 2023 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to state deferred tax benefits generated from net operating losses becoming available due to elections to treat certain subsidiary corporations as disregarded entities for income tax purposes. The income tax benefit for the three months ended March 31, 2022 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to nondeductible expenses and state income taxes.

When there is a recent history of operating losses and negative normalized earnings and a return to operating profitability has not yet been demonstrated, we cannot rely on projections of future taxable earnings for purposes of assessing recoverability of our deferred tax assets. In such cases, we use systematic and logical methods to estimate when deferred tax liabilities will reverse and generate taxable income and when deferred tax assets will reverse and generate tax deductions. Our most significant deferred tax asset relates to the failed sale-leaseback obligation with VICI and GLPI. The reversal of this deferred tax asset requires judgment and estimates and has a material impact on the determination of the amount of valuation allowance required.

As of March 31, 2023, we have provided a valuation allowance on a portion of our deferred tax assets that we believe will not be realized on a more likely than not basis. However, we have recently observed positive trends in our operating results and if these trends continue, in the foreseeable future we may determine that we will be able to realize a significant portion of these deferred tax assets. A future reversal of the valuation allowance on our deferred tax assets could result in an income tax benefit of \$0.9 billion to \$1.2 billion.

Segment comparison of the three months ended March 31, 2023 and 2022

Las Vegas Segment

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Revenues:				
Casino	\$ 309	\$ 291	\$ 18	6.2 %
Food and beverage	290	220	70	31.8 %
Hotel	373	266	107	40.2 %
Other	159	137	22	16.1 %
Net Revenues	\$ 1,131	\$ 914	\$ 217	23.7 %
Table game drop	\$ 939	\$ 801	\$ 138	17.2 %
Table game hold %	22.1 %	21.9 %		0.2 pts
Slot handle	\$ 2,749	\$ 2,488	\$ 261	10.5 %
Hotel occupancy	95.4 %	82.9 %		12.5 pts
Adjusted EBITDA	\$ 533	\$ 400	\$ 133	33.3 %
Adjusted EBITDA margin	47.1 %	43.8 %		3.3 pts
Net income attributable to Caesars	\$ 293	\$ 168	\$ 125	74.4 %

Las Vegas segment’s net revenues, net income, Adjusted EBITDA and Adjusted EBITDA margin increased for the three months ended March 31, 2023, primarily due to the resurgence of the Omicron variant of COVID-19 which negatively impacted prior year results. Increased visitation drove higher hotel occupancy, room rates and higher food and beverage and entertainment revenues as compared to the prior year period. Group and conventions were also negatively impacted by COVID-19 in the first quarter of 2022 but have recovered strongly versus the prior year. Our food and beverage revenues are driven by higher restaurant covers and improved product mix with recent additions of casual and premier dining venues. Entertainment revenues have also increased as compared to the same prior year period, which included show cancellations and postponements due to the resurgence of the Omicron variant of COVID-19.

For the three months ended March 31, 2023, slot win percentage in the Las Vegas segment was within our typical range.

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Regional Segment

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Revenues:				
Casino	\$ 1,058	\$ 1,070	\$ (12)	(1.1)%
Food and beverage	137	119	18	15.1 %
Hotel	130	117	13	11.1 %
Other	64	57	7	12.3 %
Net revenues	<u>\$ 1,389</u>	<u>\$ 1,363</u>	<u>\$ 26</u>	1.9 %
Table game drop	\$ 1,013	\$ 1,057	\$ (44)	(4.2)%
Table game hold %	21.6 %	22.2 %		(0.6) pts
Slot handle	\$ 10,552	\$ 10,411	\$ 141	1.4 %
Adjusted EBITDA	\$ 448	\$ 459	\$ (11)	(2.4)%
Adjusted EBITDA margin	32.3 %	33.7 %		(1.4) pts
Net income attributable to Caesars	\$ 75	\$ 124	\$ (49)	(39.5)%

Regional segment's net revenues increased slightly for the three months ended March 31, 2023 as compared to prior period, primarily due to the reopening of Horseshoe Lake Charles in the fourth quarter of 2022 and recovery from the resurgence of the Omicron variant of COVID-19 in the first quarter of 2022. In addition, our Regional segment also experienced net revenue growth due to improved food and beverage offerings, increased entertainment revenues and an increase in banquets. These increases were offset by the negative impact from severe winter weather, particularly in northern Nevada, where poor and unsafe travel conditions resulted from significant snowfall that reduced visitation to our Lake Tahoe and Reno properties. We also continue to monitor our competitive environment resulting from the opening of new casino resorts in the Chicagoland area and Philadelphia, Pennsylvania. As a result of these disruptions, net income and Adjusted EBITDA and Adjusted EBITDA margin decreased compared to the same prior year period.

Slot win percentage in the Regional segment for the three months ended March 31, 2023 was within our typical range.

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Caesars Digital Segment

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Revenues:				
Casino ^(a)	\$ 219	\$ (69)	\$ 288	*
Other	19	16	3	18.8 %
Net revenues	\$ 238	\$ (53)	\$ 291	*
Sports betting handle ^(b)	\$ 3,401	\$ 4,690	\$ (1,289)	(27.5)%
Sports betting hold %	6.2 %	4.8 %		1.4 pts
iGaming handle	\$ 2,414	\$ 2,177	\$ 237	10.9 %
iGaming hold %	3.1 %	3.1 %		(0) pts
Adjusted EBITDA	\$ (4)	\$ (554)	\$ 550	99.3 %
Adjusted EBITDA margin	(1.7)%	*		*
Net loss attributable to Caesars	\$ (32)	\$ (576)	\$ 544	94.4 %

* Not meaningful.

^(a) Includes total promotional and complimentary incentives related to sports betting, iGaming, and poker of \$77 million and \$373 million for the three months ended March 31, 2023 and 2022, respectively. Promotional and complimentary incentives for poker were \$4 million and \$5 million for the three months ended March 31, 2023 and 2022, respectively.

^(b) Caesars Digital generated an additional \$328 million and \$343 million of sports betting handle, for the three months ended March 31, 2023 and 2022, respectively, which is not included in this table, for select wholly-owned and third-party operations for which Caesars Digital provides services and we receive all, or a share of, the net profits. Hold related to these operations was 10.4% and 9.4%, for the three months ended March 31, 2023 and 2022, respectively. Sports betting handle includes \$12 million and \$13 million for the three months ended March 31, 2023 and 2022, respectively, related to horse racing and pari-mutuel wagers.

Caesars Digital includes the operations for retail and mobile sports betting, online casino, poker, and horse racing, which includes our Caesars Sportsbook, Caesars Racebook and iGaming mobile apps. Caesars Digital's net revenues, net loss, Adjusted EBITDA, and Adjusted EBITDA margin improved for the three months ended March 31, 2023 as compared to the prior period, primarily due lower year over year promotional offerings for new state launches, coupled with higher sports betting hold. We experienced negative net revenue in the first quarter of 2022 as a result of increased promotional offerings for new state launches in New York and Louisiana. We continue to refine our promotional intensity during the launch period in new jurisdictions based, in part, on prior experience and do not expect such investment to continue at elevated levels subsequent to initial launch periods. During the three months ended March 31, 2023, promotional and marketing expenses decreased significantly as a result of these efforts, as compared to the prior year period.

During the three months ended March 31, 2023, Caesars Digital began operations in Massachusetts and Ohio. In contrast to our prior year launch in New York and Louisiana, we utilized past experience and applied more modest strategies to target our level of investment into these new jurisdictions to maximize the return on our promotional offerings. As sports betting and online casinos expand through increased state legalization and customer adoption, variations in hold percentages and increases in marketing and promotional costs in highly competitive markets during promotional periods may negatively impact Caesars Digital's net revenues, Adjusted EBITDA and Adjusted EBITDA margin in comparison to current or prior periods.

Sports betting and iGaming hold percentages in the Caesars Digital segment for the three months ended March 31, 2023 were within our typical range.

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Managed and Branded Segment

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Revenues:				
Other	\$ 69	\$ 66	\$ 3	4.5 %
Net revenues	\$ 69	\$ 66	\$ 3	4.5 %
Adjusted EBITDA	\$ 19	\$ 20	\$ (1)	(5.0)%
Adjusted EBITDA margin	27.5 %	30.3 %		(2.8) pts
Net income (loss) attributable to Caesars	\$ 19	\$ (211)	\$ 230	*

* Not meaningful.

We manage several properties and license rights to the use of certain of our brands. These revenue agreements typically include reimbursement of certain costs that we incur directly. Such costs are primarily related to payroll costs incurred on behalf of the properties under management. The revenue related to these reimbursable management costs has a direct impact on our evaluation of Adjusted EBITDA margin which, when excluded, reflects margins typically realized from such agreements. The table below presents the amount included in net revenues and total operating expenses related to these reimbursable costs.

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Reimbursable management revenue	\$ 50	\$ 46	\$ 4	8.7 %
Reimbursable management cost	50	46	4	8.7 %

Corporate & Other

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Variance	Percent Change
	2023	2022		
Revenues:				
Casino	\$ (1)	\$ —	\$ (1)	*
Other	4	2	2	100.0 %
Net revenues	\$ 3	\$ 2	\$ 1	50.0 %
Adjusted EBITDA	\$ (38)	\$ (29)	\$ (9)	(31.0)%

* Not meaningful.

Supplemental Unaudited Presentation of Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) for the Three Months Ended March 31, 2023 and 2022

Adjusted EBITDA (described below), a non-GAAP financial measure, has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry and we believe that this non-GAAP supplemental information will be helpful in understanding our ongoing operating results. Management has historically used Adjusted EBITDA when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results. Adjusted EBITDA represents net income (loss) before interest income or interest expense net of interest capitalized, (benefit) provision for income taxes, depreciation and amortization, (gain) loss on investments and marketable securities, stock-based compensation, impairment charges, equity in (income) loss of unconsolidated affiliates, (gain) loss on the sale or disposal of property and equipment, (gain) loss related to divestitures, changes in the fair value of certain derivatives and transaction costs associated with our acquisitions and divestitures such as (gain) loss on sale, sign-on and retention bonuses, severance expense, business integration and optimization costs, contract exit or termination costs, certain litigation awards and settlements, and certain regulatory settlements. Adjusted EBITDA also excludes the expense associated with certain of our leases as these transactions were accounted for as financing obligations and the associated expense is included in interest expense. Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with accounting principles generally accepted in the United States (“GAAP”). It is unaudited and should not be considered an

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alternative to, or more meaningful than, net income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in Adjusted EBITDA include capital expenditures, interest payments, income taxes, debt principal repayments, payments under our leases with affiliates of GLPI and VICI and certain regulatory gaming assessments, which can be significant. As a result, Adjusted EBITDA should not be considered as a measure of our liquidity. Other companies that provide EBITDA information may calculate Adjusted EBITDA differently than we do. The definition of Adjusted EBITDA may not be the same as the definitions used in any of our debt agreements.

The following tables summarize our Adjusted EBITDA for the three months ended March 31, 2023 and 2022, respectively, in addition to reconciling net income (loss) to Adjusted EBITDA in accordance with GAAP (unaudited):

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Net loss attributable to Caesars	\$ (136)	\$ (680)
Discontinued operations, net of income taxes	—	229
Benefit for income taxes	(49)	(107)
Other income	(3)	(4)
Loss on extinguishment of debt	197	—
Interest expense, net	594	552
Depreciation and amortization	300	300
Transaction costs and other, net ^(a)	28	(19)
Stock-based compensation expense	27	25
Adjusted EBITDA	\$ 958	\$ 296

^(a) Transaction costs and other, net for the three months ended March 31, 2023 primarily includes pre-opening costs in connection with new property openings, professional services for integration activities and non-cash changes in equity method investments. Transaction costs and other, net for the three months ended March 31, 2022 primarily represents a gain resulting from insurance proceeds received in excess of the respective carrying value of the assets damaged at Isle of Capri Casino Hotel Lake Charles by Hurricane Laura.

Liquidity and Capital Resources

We are a holding company, and our only significant assets are ownership interests in our subsidiaries. Our ability to fund our obligations depends on existing cash on hand, contracted asset sales, cash flows from our subsidiaries and our ability to raise capital. Our primary sources of liquidity and capital resources are existing cash on hand, cash flows from operations, availability of borrowings under our revolving credit facilities, proceeds from the issuance of debt and equity securities and proceeds from completed asset sales. Our cash requirements may fluctuate significantly depending on our decisions with respect to business acquisitions or divestitures and strategic capital and marketing investments.

As of March 31, 2023, our cash on hand and revolving borrowing capacity was as follows:

<i>(In millions)</i>	March 31, 2023
Cash and cash equivalents	\$ 965
Revolver capacity ^(a)	2,220
Revolver capacity committed to letters of credit	(82)
Revolver capacity committed as regulatory requirement	(48)
Total	\$ 3,055

^(a) Revolver capacity includes \$2.25 billion under our CEI Revolving Credit Facility, maturing in January 2028, less \$40 million reserved for specific purposes, and \$10 million under our Baltimore Revolving Credit Facility, maturing in July 2023.

During the three months ended March 31, 2023, our operating activities generated cash inflows of \$174 million, as compared to operating cash outflows of \$246 million during the three months ended March 31, 2022, due to the results of operations described above.

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On February 6, 2023, we entered into an Incremental Assumption Agreement No. 2 pursuant to which we incurred a new senior secured term loan facility in an aggregate principal amount of \$2.5 billion (the “CEI Term Loan B” and, together with the CEI Term Loan A, the “CEI Term Loans”) as a new term loan under the CEI Credit Agreement. The CEI Term Loan B requires scheduled quarterly amortization payments in amounts equal to 0.25% of the original aggregate principal amount of the CEI Term Loan B, with the balance payable at maturity. Borrowings under the CEI Term Loan B bear interest at a rate equal to, at the Company’s option, either (a) a forward-looking term rate based on the Adjusted Term SOFR, subject to a floor of 0.50% or (b) a base rate (the “Base Rate”) determined by reference to the highest of (i) the Prime Rate in the United States, (ii) the federal funds rate plus 0.50% per annum and (iii) the one-month Adjusted Term SOFR plus 1.00% per annum, in each case, plus an applicable margin. Such applicable margin is 3.25% per annum in the case of any Adjusted Term SOFR loan and 2.25% per annum in the case of any Base Rate loan, subject to one 0.25% step-down based on our net total leverage ratio. The CEI Term Loan B was issued at a price of 99.0% of the principal amount and will mature in February 2030.

On February 6, 2023, concurrently with the issuance of the CEI Term Loan B, we issued \$2.0 billion in aggregate principal amount of 7.00% senior secured notes (the “CEI Senior Secured Notes due 2030”) pursuant to an indenture by and among the Company, the subsidiary guarantors party thereto from time to time, U.S. Bank Trust Company, National Association, as trustee, and U.S. Bank National Association, as collateral agent. The CEI Senior Secured Notes due 2030 rank equally with all existing and future first-priority lien obligations of the Company and the subsidiary guarantors. The CEI Senior Secured Notes due 2030 will mature in February 2030, with interest paid semi-annually on February 15 and August 15 of each year, commencing August 15, 2023.

The net proceeds from the CEI Term Loan B, along with the net proceeds from the issuance of the CEI Senior Secured Notes due 2030 described above, were used to repay the outstanding principal balance, including accrued and unpaid interest, of both the CRC Term Loan and the CRC Incremental Term Loan. Upon the termination of the CRC Term Loan and the CRC Incremental Term Loan, we recorded a loss on extinguishment of debt of \$197 million.

On May 1, 2023, we elected to prepay the outstanding \$400 million Convention Center Mortgage Loan utilizing cash on hand.

We expect that our primary capital requirements going forward will relate to the expansion and maintenance of our properties, taxes, servicing our outstanding indebtedness, and rent payments under our GLPI Master Lease, the VICI Leases and other leases. We make capital expenditures and perform continuing refurbishment and maintenance at our properties to maintain our quality standards. Our capital expenditure requirements for the remainder of 2023 include expansion projects, the rebranding of certain properties, implementation and migration of our Caesars Sportsbook and iGaming apps in certain states to our Liberty platform, and continued investment into new markets with our Caesars Sportsbook and iGaming applications in our Caesars Digital segment. In addition, we may, from time to time, seek to repurchase or prepay our outstanding indebtedness. Any such purchases or prepayments may be funded by existing cash balances or the incurrence of debt. The amount and timing of any repurchase will be based on business and market conditions, capital availability, compliance with debt covenants and other considerations.

We continue to expand into new markets with projects such as our partnership with the Eastern Band of Cherokee Indians to build and develop Caesars Virginia which is estimated to open in late 2024. The development has a budget of \$650 million and is expected to include a premier destination resort casino along with a 500 room hotel and world-class casino floor including 1,300 slot machines, 85 live table games, a WSOP Poker Room, a Caesars Sportsbook, a live entertainment theater and 40,000 square feet of meeting and convention space. Additionally, Caesars announced plans to expand into Nebraska with the development of a Harrah’s casino and racetrack. The casino development is expected to feature a new one-mile horse racing surface, a 40,000-square-foot-casino and sportsbook with more than 400 slot machines and 20 table games, as well as a restaurant and retail space. During the construction of Caesars Virginia and Harrah’s in Nebraska, we anticipate opening and operating temporary facilities during 2023 while the permanent facilities are completed.

In 2020, we funded \$400 million in escrow to provide funds for a three year capital expenditure plan in the state of New Jersey. As of March 31, 2023 and December 31, 2022, the restricted cash balance remaining in the escrow account was \$88 million and \$118 million, respectively, for future capital expenditures in New Jersey. The capital plan includes significant room renovations at both Caesars Atlantic City and Harrah’s Atlantic City, as well as the addition of new celebrity partnered restaurants. This amount is currently included in restricted cash in Other assets, net.

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As a condition of the extension of the casino operating contract and ground lease for Harrah's New Orleans, we are also required to make a capital investment of \$325 million on or around Harrah's New Orleans by July 15, 2024. The capital investment will involve the rebranding of the property to Caesars New Orleans which includes a renovation and full interior and exterior redesign, updated casino floor, new culinary experiences and a new 340-room hotel tower. The project has a current capital plan of approximately \$430 million and, as of March 31, 2023, total capital expenditures have been \$145 million since the project began.

Cash spent for capital expenditures totaled \$272 million and \$210 million for the three months ended March 31, 2023 and 2022, respectively, related to our growth, renovation, maintenance, and other capital projects. The following table summarizes our capital expenditures for the three months ended March 31, 2023, and an estimated range of capital expenditures for the remainder of 2023:

<i>(In millions)</i>	Three Months Ended	Estimate of Remaining Capital Expenditures for	
	March 31, 2023	2023	
	Actual	Low	High
Atlantic City	\$ 30	\$ 85	\$ 85
Indiana racing operations	2	5	10
Total estimated capital expenditures from restricted cash	32	90	95
Growth and renovation projects	80	365	385
Caesars Digital	27	75	85
Maintenance projects	105	145	205
Total estimated capital expenditures from unrestricted cash	212	585	675
Caesars Virginia ^(a)	28	170	260
Total	\$ 272	\$ 845	\$ 1,030

^(a) We expect to receive approximately \$200 million from the combination of our temporary casino operations and contributions from our joint venture partners to support the development of Caesars Virginia.

A significant portion of our liquidity needs are for debt service and payments associated with our leases. Our estimated debt service (including principal and interest) is approximately \$601 million for the remainder of 2023. We also lease certain real property assets from third parties, including VICI and GLPI. The VICI Leases are subject to annual escalations based on the Consumer Price Index ("CPI"). The increase in the CPI over the prior year resulted in an increase in our annual lease payments to VICI, which took effect in November 2022. We estimate our lease payments to VICI and GLPI to be approximately \$1.0 billion for the remainder of 2023.

We have periodically divested assets to raise capital or, in previous cases, to comply with conditions, terms, obligations or restrictions imposed by antitrust, gaming and other regulatory entities. If the agreed upon selling price for future divestitures does not exceed the carrying value of the assets, we may be required to record additional impairment charges in future periods which may be material.

We expect that our current liquidity, cash flows from operations, availability of borrowings under committed credit facilities and proceeds from the announced asset sales will be sufficient to fund our operations, capital requirements and service our outstanding indebtedness for the next twelve months.

Debt and Master Lease Covenant Compliance

The Senior Credit Facilities, the CEI Term Loan B, the Baltimore Term Loan, the Baltimore Revolving Credit Facility and the indentures governing the CEI Senior Secured Notes due 2025, the CEI Senior Secured Notes due 2030, the CEI Senior Notes due 2027, the CRC Senior Secured Notes and the CEI Senior Notes due 2029 contain covenants which are standard and customary for these types of agreements. These include negative covenants, which, subject to certain exceptions and baskets, limit our ability to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions.

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Following the Third Amendment, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a maximum net total leverage ratio financial covenant of 7.25:1 until December 31, 2024 and 6.50:1 from and after December 31, 2024. In addition, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a minimum fixed charge coverage ratio financial covenant of 1.75:1 until December 31, 2024 and 2.0:1 from and after December 31, 2024. From and after the repayment of the CEI Term Loan A, the financial covenants applicable to the Amended CEI Revolving Credit Facility will be tested solely to the extent that certain testing conditions are satisfied. The Baltimore Revolving Credit Facility includes a net senior secured leverage ratio financial covenant of 5.0:1. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document.

The GLPI Leases and VICI Leases contain certain covenants requiring minimum capital expenditures based on a percentage of net revenues along with maintaining certain financial ratios.

As of March 31, 2023, we were in compliance with all of the applicable financial covenants described above.

Share Repurchase Program

In November 2018, our Board of Directors authorized a \$150 million common stock repurchase program (the “Share Repurchase Program”) pursuant to which we may, from time to time, repurchase shares of common stock on the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The Share Repurchase Program has no time limit and may be suspended or discontinued at any time without notice. There is no minimum number of shares of common stock that we are required to repurchase under the Share Repurchase Program.

As of March 31, 2023, we have acquired 223,823 shares of common stock under the Share Repurchase Program at an aggregate value of \$9 million and an average of \$40.80 per share. No shares were repurchased during the three months ended March 31, 2023 and 2022.

Contractual Obligations

There have been no other material changes during the three months ended March 31, 2023 to our contractual obligations as disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022. See Note 7 to our unaudited Financial Statements, which is included elsewhere in this report, for additional information regarding contractual obligations.

Other Liquidity Matters

We are faced with certain contingencies, from time to time, involving litigation, claims, assessments, environmental remediation or compliance. These commitments and contingencies are discussed in greater detail in “Part II, Item 1. Legal Proceedings” and Note 7 to our unaudited Financial Statements, both of which are included elsewhere in this report. See “Part I, Item 1A. Risk Factors—Risks Related to Our Business” which is included elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2022.

Critical Accounting Policies

Our critical accounting policies disclosures are included in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes since December 31, 2022. We have not substantively changed the application of our policies, and there have been no material changes in assumptions or estimation techniques used as compared to those described in our Annual Report on Form 10-K for the year ended December 31, 2022.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We are exposed to changes in interest rates primarily from variable rate long-term debt arrangements and foreign exchange risks associated with certain transactions.

As of March 31, 2023, long-term variable-rate borrowings totaled \$3.5 billion under the CEI Term Loans and the Baltimore Term Loan, and no amounts were outstanding under the CEI Revolving Credit Facility or the Baltimore Revolving Credit Facility. Long-term variable-rate borrowings under the CEI Term Loans and the Baltimore Term Loan represented

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approximately 27% of consolidated long-term debt as of March 31, 2023. As of March 31, 2023, the weighted average interest rates on our variable and fixed rate debt were 7.70% and 6.53%, respectively.

We have variable rate debt instruments which are subject to London Interbank Offered Rate (“LIBOR”) and Term SOFR interest rates plus a reasonable margin. Our Baltimore Term Loan is subject to LIBOR, which was discontinued by lending institutions for new debt agreements and after June 30, 2023 no additional LIBOR rates are expected to be available. The Baltimore Term Loan will be subject to an alternate borrowing rate upon the termination of LIBOR, which will continue to be a variable rate.

We evaluate our exposure to market risk by monitoring interest rates in the marketplace and have, on occasion, utilized derivative financial instruments to help manage this risk. We do not utilize derivative financial instruments for trading purposes. There were no other material quantitative changes in our market risk exposure, or how such risks are managed, for the three months ended March 31, 2023.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We have established and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports that we file under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, evaluated and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q are effective to ensure that the information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, summarized, evaluated and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Controls

There were no significant changes in our internal control over financial reporting during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of our “Legal Proceedings,” refer to Note 7 to our Consolidated Condensed Financial Statements located elsewhere in this Quarterly Report on Form 10-Q and Note 11 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2022.

Cautionary Statements Regarding Forward-Looking Information

This report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding our strategies, objectives and plans for future development or acquisitions of properties or operations, as well as expectations, future operating results and other information that is not historical information. When used in this report, the terms or phrases such as “anticipates,” “believes,” “projects,” “plans,” “intends,” “expects,” “might,” “may,” “estimates,” “could,” “should,” “would,” “will likely continue,” and variations of such words or similar expressions are intended to identify forward-looking statements. Specifically, forward-looking statements may include, among others, statements concerning:

- projections of future results of operations or financial condition;
- expectations regarding our business and results of operations of our existing casino properties and prospects for future development;
- the impact of economic trends, inflation and the COVID-19 public health emergency on our business and financial condition;
- expectations regarding trends that will affect our market and the gaming industry generally, including expansion of internet betting and gaming, and the impact of those trends on our business and results of operations;
- our ability to comply with the covenants in the agreements governing our outstanding indebtedness and leases;
- our ability to meet our projected debt service obligations, operating expenses, and maintenance capital expenditures;
- expectations regarding availability of capital resources;
- our intention to pursue development opportunities and additional acquisitions and divestitures;
- the impact of regulation on our business and our ability to receive and maintain necessary approvals for our existing properties and future projects and operation of online sportsbook, poker and gaming; and
- factors impacting our ability to successfully operate our digital betting and iGaming platform and expand its user base.

Any forward-looking statements are based upon underlying assumptions, including any assumptions mentioned with the specific statements that are in turn based upon internal estimates and analyses of market conditions and trends, management plans and strategies, economic conditions and other factors. Such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control, and are subject to change. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend upon future circumstances that may not occur. These risks and uncertainties include: (a) the impacts of economic and market conditions; (b) our ability to successfully operate our digital betting and iGaming platform and expand its user base; (c) risks associated with our leverage and our ability to reduce our leverage; (d) the effects of competition on our business and results of operations; (e) the effects of inflation, supply chain constraints and continuing impacts of COVID-19; and (f) additional factors discussed in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in this Quarterly Report on Form 10-Q and our most recent Annual Reports on Form 10-K as filed with the Securities and Exchange Commission. Actual results may differ materially from any future results, performance or achievements expressed or implied by such statements and forward-looking statements should not be regarded as a representation by us or any other person that the forward-looking statements will be achieved.

In addition, these forward-looking statements speak only as of the date on which the statement is made, even if subsequently made available on our website or otherwise, and we do not intend to update publicly any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as may be required by law.

You should also be aware that while we, from time to time, communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report.

To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

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Item 1A. Risk Factors

A description of our risk factors can be found in “Part I, Item 1A. Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to those risk factors during the three months ended March 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit Number	Description of Exhibit	Method of Filing
3.1	Composite Certificate of Incorporation of Caesars Entertainment, Inc.	Previously filed on Form 10-Q filed on August 4, 2021.
3.2	Amended and Restated Bylaws of Caesars Entertainment, Inc.	Previously filed on Form 8-K filed on August 1, 2022.
4.1	Indenture, dated as of February 6, 2023, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto, U.S. Bank Trust Company, National Association, as Trustee, and U.S. Bank National Association, as Collateral Agent.	Previously filed on Form 8-K filed on February 6, 2023.
4.2	Supplemental Indenture, dated as of March 24, 2023, to Indenture, dated as of February 6, 2023, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto, U.S. Bank Trust Company, National Association, as Trustee, and U.S. Bank National Association, as Collateral Agent.	Filed herewith.
10.1†	Amended and Restated Executive Employment Agreement, dated as of August 1, 2022, by and between Caesars Enterprise Services, LLC and Stephanie Lepori.	Filed herewith.
10.2*	Incremental Assumption Agreement No. 2, dated as of February 6, 2023, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	Previously filed on Form 8-K filed on February 6, 2023.
10.3	Twelfth Amendment to Lease, dated as of August 25, 2022, by and among the entities listed on Schedules A and B thereto and Propco TRS LLC.	Filed herewith.
31.1	Certification of Thomas R. Reeg pursuant to Rule 13a-14a and Rule 15d-14(a)	Filed herewith.
31.2	Certification of Bret Yunker pursuant to Rule 13a-14a and Rule 15d-14(a)	Filed herewith.
32.1	Certification of Thomas R. Reeg in accordance with 18 U.S.C. Section 1350	Filed herewith.
32.2	Certification of Bret Yunker in accordance with 18 U.S.C. Section 1350	Filed herewith.
99.1	Financial Information of Caesars Resort Collection, LLC	Filed herewith.
101.1	Inline XBRL Instance Document	Filed herewith.
101.2	Inline XBRL Taxonomy Extension Schema Document	Filed herewith.
101.3	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.4	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.5	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.6	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith.

† Denotes a management contract or compensatory plan or arrangement.

* Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5).

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 2, 2023

CAESARS ENTERTAINMENT, INC.

/s/ Thomas R. Reeg

Thomas R. Reeg
Chief Executive Officer (Principal Executive Officer)

Date: May 2, 2023

/s/ Bret Yunker

Bret Yunker
Chief Financial Officer (Principal Financial Officer)

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”) dated as of March 24, 2023, among Tropicana Atlantic City Corp., a New Jersey corporation (the “New Guarantor”), as a subsidiary of CAESARS ENTERTAINMENT, INC. or its permitted successor, a Delaware corporation (the “Company”), the other Subsidiary Guarantors (as defined in the Indenture referred to herein), U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (in such capacity, the “Trustee”), and U.S. BANK NATIONAL ASSOCIATION, as collateral agent (in such capacity, the “Collateral Agent”).

W I T N E S S E T H :

WHEREAS, the Company has heretofore executed and delivered to the Trustee and the Collateral Agent an indenture (as amended, supplemented or otherwise modified, the “Indenture”) dated as of February 6, 2023, providing for the issuance of 7.000% Senior Secured Notes due 2030 (the “Notes”), initially in the aggregate principal amount of \$2,000,000,000, by and among the Company, the Subsidiary Guarantors party thereto, the Trustee and the Collateral Agent (as further amended, supplemented or otherwise modified, the “Indenture”);

WHEREAS, Section 4.11 of the Indenture provides that under certain circumstances the Company is required to cause the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall unconditionally guarantee all the Company’s Obligations under the Notes and the Indenture pursuant to a Note Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee, the Collateral Agent, the Company and the Subsidiary Guarantors, if any, are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Company, the Subsidiary Guarantors, the Collateral Agent and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “holders” in this Supplemental Indenture shall refer to the term “holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such holders. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing guarantors (if any), to unconditionally guarantee the Company’s Obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article XIII of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a guarantor under the

Indenture. From and after the date hereof, all references in the Indenture to the “Subsidiary Guarantors” shall include the New Guarantor.

3. Notices. All notices or other communications to the New Guarantor shall be given at the following address: Caesars Entertainment, Inc., 100 West Liberty Street, Suite 1150, Reno, Nevada 89501, Facsimile: (775) 337-9218 Attn: Chief Financial Officer.

4. Execution and Delivery. The New Guarantor agrees that its Note Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Note Guarantee.

5. Confirmation of Security Interests. Each of the Company and the Subsidiary Guarantors (including the New Guarantor) hereby confirms that (a) the Notes are entitled to the benefits of the security interests set forth or created in the Collateral Agreement and the other Security Documents and (b) the Collateral Agreement and the other Security Documents are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects after giving effect to this Supplemental Indenture. Each of the Company and the Subsidiary Guarantors (including the New Guarantor) ratifies and confirms its prior grant and the validity of all Liens granted, conveyed, or assigned to the Collateral Agent by such Person pursuant to each Security Document to which it is a party with all such Liens continuing in full force and effect after giving effect to this Supplemental Indenture, and such Liens are not released or reduced hereby, and secure full payment and performance of the Notes Obligations.

6. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

7. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

8. No Recourse Against Others. No director, officer, employee, manager, incorporator or holder of any Equity Interests in the New Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the New Guarantor under the Notes or the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

9. Trustee Makes No Representation. The Trustee and the Collateral Agent make no representation as to the validity or sufficiency of this Supplemental Indenture.

10. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

11. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CAESARS ENTERTAINMENT, INC.,
as Company

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Executive Vice President, Chief Legal Officer and Secretary

AZTAR RIVERBOAT HOLDING COMPANY, LLC
BLACK HAWK HOLDINGS, L.L.C.
CAESARS DUBAI, LLC
CAESARS GROWTH PARTNERS, LLC
CAESARS HOLDINGS, INC.
CAESARS HOSPITALITY, LLC
CAESARS INTERNATIONAL HOSPITALITY, LLC
CAESARS PARLAY HOLDING, LLC
CCR NEWCO, LLC
CCSC/BLACKHAWK, INC.
CIE GROWTH, LLC
CIRCUS AND ELDORADO JOINT VENTURE, LLC
CRS ANNEX, LLC
EASTSIDE CONVENTION CENTER, LLC
ELDO FIT, LLC
ELDORADO HOLDCO LLC
ELDORADO LIMITED LIABILITY COMPANY
ELDORADO SHREVEPORT #1, LLC
ELDORADO SHREVEPORT #2, LLC
ELGIN HOLDINGS I LLC
ELGIN HOLDINGS II LLC
ELGIN RIVERBOAT RESORT–RIVERBOAT CASINO
GB INVESTOR, LLC,
as a Subsidiary Guarantor

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to First Supplemental Indenture]

IC HOLDINGS COLORADO, INC.
IOC - BLACK HAWK DISTRIBUTION COMPANY, LLC
IOC - BOONVILLE, INC.
IOC - LULA, INC.
IOC BLACK HAWK COUNTY, INC.
IOC HOLDINGS, L.L.C.
IOC-VICKSBURG, INC.
IOC-VICKSBURG, L.L.C.
ISLE OF CAPRI BETTENDORF, L.C.
ISLE OF CAPRI BLACK HAWK, L.L.C.
ISLE OF CAPRI CASINOS LLC
LIGHTHOUSE POINT, LLC
MTR GAMING GROUP, INC.
NEW JAZZ ENTERPRISES, L.L.C.
NEW TROPICANA HOLDINGS, INC.
NEW TROPICANA OPCO, INC.
OLD PID, INC.
POMPANO PARK HOLDINGS, L.L.C.
PPI DEVELOPMENT HOLDINGS LLC
PPI DEVELOPMENT LLC
PPI, INC.
ROMULUS RISK AND INSURANCE COMPANY, INC.
SCIOTO DOWNS, INC.
ST. CHARLES GAMING COMPANY, L.L.C.
TEI (ES), LLC
TEI (ST. LOUIS RE), LLC
TEI (STLH), LLC
TROPICANA ENTERTAINMENT INC.
TROPICANA LAUGHLIN, LLC
TROPICANA ST. LOUIS LLC
VEGAS DEVELOPMENT LAND OWNER LLC,
as a Subsidiary Guarantor

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to First Supplemental Indenture]

TROPICANA ATLANTIC CITY CORP.,
as a Subsidiary Guarantor

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Secretary

[Signature Page to First Supplemental Indenture]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Laurel Casasanta
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent

By: /s/ Laurel Casasanta
Name:
Title:

[Signature Page to First Supplemental Indenture]

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of August 1, 2022 (the “Effective Date”), by and between Caesars Enterprise Services, LLC, a Delaware limited liability company (the “Company”), and **Stephanie Lepori** (the “Executive”).

W I T N E S E T H

WHEREAS, the Company and the Executive are parties to that certain Executive Employment Agreement dated as of December 28, 2021 (the “Prior Agreement”);

WHEREAS, the Company and the Executive desire to amend and restate the Prior Agreement in its entirety and enter into this Agreement to modify certain terms of the Executive’s employment.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and the Executive (individually a “Party” and together the “Parties”) agree as follows:

Article 1. Definitions.

- (a) “Base Salary” shall mean the salary provided for in Article 4 below.
- (b) “Board” shall mean the Board of Directors of the Parent.
- (c) “Cause” shall mean the Executive’s:
 - i. Willful failure to substantially perform her duties with the Parent, Company or any of its Subsidiaries (other than any such failure resulting from the Executive’s Disability);
 - ii. Gross negligence in the performance of the Executive’s duties;
 - iii. Commission of or indictment for, or plea of guilty or nolo contendere to, any felony or a lesser crime or offense which, in the reasonable opinion of the Company, could materially adversely affect the business or reputation of the Parent or any of its Subsidiaries or affiliates (including the Company);
 - iv. Willful engagement in conduct that is materially injurious to the Parent or any of its Subsidiaries or affiliates (including the Company), monetarily or otherwise;
 - v. Willful violation of any provision of the Parent’s Code of Business Ethics, as amended from time to time;
 - vi. Violation of any of the covenants contained in Articles 11 through 15 of this Agreement, as applicable;

- vii. Engaging in any act of dishonesty resulting in, or intended to result in, personal gain at the expense of the Parent or any of its Subsidiaries or affiliates (including the Company);
- viii. Determination by any state gaming regulatory agency that the Executive is not suitable to hold her position or otherwise to participate in a gaming enterprise in the state in question;
- ix. Engaging in any act that is intended to harm, or may be reasonably expected to harm, the reputation, business prospects, or operations of the Parent or any of its Subsidiaries or affiliates (including the Company); provided, however, that this subclause (ix) shall not apply during the two-year period beginning on the date of a Change in Control; or
- x. Any other action or inaction by the Executive that constitutes a material breach by the Executive of the terms and conditions of this Agreement.

For purposes of this Article 1(c), no act or omission by the Executive shall be considered “willful” unless it is done or omitted in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Parent or any of its Subsidiaries or affiliates (including the Company). Any act or failure to act based upon: (i) authority given pursuant to a resolution duly adopted by the Board; or (ii) formal advice of counsel for the Company, shall be conclusively presumed to be done or omitted to be done by the Executive in good faith and in the best interests of the Parent or any of its Subsidiaries or affiliates (including the Company).

For purposes of this Agreement, there shall be no termination for Cause pursuant to Articles 1(c)(ii) through (x) above, unless a written notice, containing a detailed description of the grounds constituting Cause hereunder, is delivered to the Executive stating the basis for the termination. With respect to Subsections (v), (vi) and (x) upon receipt of such notice, the Executive shall be given thirty (30) days to fully cure (if such violation, neglect, or conduct is capable of cure) the violation, neglect, or conduct that is the basis of such claim. If, in the Board’s opinion, cure has not been accomplished by the Executive at the conclusion of such thirty (30) day period, the Executive will be given a reasonable opportunity to be heard before termination.

- (d) “Change in Control” means the occurrence of any of the following events with regard to the Parent:
 - i. the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of the combined voting power of the then-outstanding securities entitled to vote generally in the election of members of the Board (the “Voting Power”) at such time; provided that the following acquisitions shall not constitute a Change in Control: (A) any such acquisition directly from the Parent; (B) any such acquisition by the Parent; (C) any such acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Parent or any of its subsidiaries; or (D) any such acquisition pursuant to a transaction that complies with clauses (A), (B) and (C) of paragraph (iii) below; or

- ii. individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason (other than death or disability) to constitute at least a majority of the Board; provided, that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Parent’s stockholders, was approved by a vote of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Parent in which such person is named as a nominee for director, without objection to such nomination) shall be considered as though such individual was a member of the Incumbent Board, but excluding for this purpose, any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or
- iii. consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Parent (a “Business Combination”), in each case, unless following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Voting Power immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Parent or substantially all of the Parent’s assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership immediately prior to such Business Combination of the securities representing the Voting Power, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) sponsored or maintained by the Parent or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination, or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or the action of the Board providing for such Business Combination; or
- iv. approval by the stockholders of the Parent of a complete liquidation or dissolution of the Parent.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any deferral of compensation that is subject to Section 409A of the Code, then, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, the

transaction or event described in paragraph (i), (ii), (iii) or (iv) above, with respect to such deferral of compensation, shall only constitute a Change in Control for purposes of the payment timing of such deferral of compensation if such transaction also constitutes a “change in control event,” as defined in Treasury Regulation §1.409A-3(i)(5).

(e) “Code” means the Internal Revenue Code of 1986, as amended.

(f) “Compensation Committee” shall mean the Compensation Committee of the Board or any other committee appointed by the Board to perform the functions of the Compensation Committee.

(g) “Date of Termination” shall mean the date on which the Executive incurs a “separation from service” within the meaning of Section 409A of the Code.

(h) “Disability” (i) shall mean the Executive’s permanent and total disability as defined by the long-term disability plan in effect for senior executives of the Company or (ii) in the event there is no such plan in effect, shall mean that the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(i) “Good Reason” shall mean the occurrence of any one or more of the following without the Executive’s express written consent:

- i. The Parent or Company changes the Executive’s title or material job duties such that it results in material diminution in Executive’s authority, duties, or responsibilities; or
- ii. The Parent or Company materially reduces the amount of the Executive’s then current Base Salary or the target opportunity for her annual incentive award; or
- iii. The Parent or Company requires the Executive to be permanently based at a location in excess of fifty (50) miles from the location of (x) the Executive’s principal job location or (y) if Executive is working-from-home under a Company-approved arrangement, the Executive’s primary residence; or
- iv. The failure of the Company to obtain in writing the obligation to perform or be bound by the terms of this Agreement by any successor to the Company or a purchaser of all or substantially all of the assets of the Company; or
- v. The Company provides the Executive with a notice of non-renewal in accordance with the terms of Article 2 of this Agreement; or
- vi. Any other action or inaction by the Company that constitutes a material breach by the Company of the terms and conditions of this Agreement.

The Executive will not be deemed to have terminated for Good Reason unless (A) the Executive gives the Company written notice of the event or events that are the basis for such claim within thirty (30) days after the Executive first becomes aware of the initial occurrence, event or

events that would otherwise constitute Good Reason, describing such claim in reasonably sufficient detail to allow the Company to address the event or events, (B) the Company fails to cure the alleged condition during a period of not less than thirty (30) days after the delivery of such notice to the Company, and (C) the Executive terminates her employment within ninety (90) days after the Executive first becomes aware of the initial occurrence, event or events that are the basis for such claim.

(j) "Parent" shall mean Caesars Entertainment, Inc.

(k) "Person" shall mean any individual, corporation, partnership, association, limited liability company, joint-stock company, trust, unincorporated organization, government or political subdivision.

(l) "Pro Rata" shall equal the product of (A) and (B), where (A) is the applicable incentive amount and (B) is a fraction, the numerator of which is the number of calendar months that the Executive was employed by the Company during the applicable performance period or cycle and the denominator of which is the number of calendar months in the applicable performance period or cycle. Solely for determining the Pro Rata amount, any partial calendar month shall be treated as a full month.

(m) "Protected Information" shall mean trade secrets, confidential and proprietary business information of the Parent and its Subsidiaries and affiliates (including the Company), and any other information of the Parent or any of its Subsidiaries or affiliates (including the Company), including, but not limited to, customer lists (including, without limitation, potential customers), sources of supply, processes, plans, materials, pricing information, internal memoranda, marketing plans, internal policies, and products and services that may be developed from time to time by the Parent or any of its Subsidiaries or affiliates (including the Company) or any of their respective agents or employees, including but not limited to the Executive; provided, however, that information that is in the public domain (other than as a result of a breach of this Agreement), approved for release by the Parent or the Company, as applicable, or lawfully obtained from third parties who are not bound by a confidentiality agreement with the Parent or any of its Subsidiaries or affiliates (including the Company), is not Protected Information.

(n) "Release" means a general release of claims against the Parent and its Subsidiaries and affiliates (including the Company), in substantially the form attached hereto as Exhibit A.

(o) "Subsidiary" means a corporation, company or other entity (i) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but more than fifty percent (50%) of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter owned or controlled, directly or indirectly, by the Parent or the Company, as applicable, but such corporation, company or other entity shall be deemed to be a Subsidiary only so long as such ownership or control exists.

(p) "Term of Employment" shall mean the period specified in Article 2 below (including any extension as provided therein).

Article 2. Term of Employment.

The Term of Employment shall begin on the Effective Date, and shall extend until January 1, 2025 (the “Initial Term”), with automatic one (1) year renewals (each a “Renewal Term”) upon the expiration of the Initial Term or the current Renewal Term, as applicable, unless either Party notifies the other at least three (3) months before the scheduled expiration date of the Initial Term or Renewal Term, as applicable, that this Agreement is not to renew; provided that in the event of a Change in Control the Initial Term or then current Renewal Term shall automatically be extended an additional two (2) years from the date of consummation of such Change in Control (and such two (2) year extension period shall be a “Renewal Term” for purposes of this Agreement. Notwithstanding the foregoing, the Term of Employment may be earlier terminated by either Party in accordance with the provisions of Article 10.

Article 3. Position, Duties, and Responsibilities.

(a) During the Term of Employment, the Executive shall serve as Chief Administrative Officer of the Parent and all other direct or indirect operating subsidiaries of the Parent, including the Company, and shall perform such duties consistent with her position as may be assigned to her from time to time by the Chief Executive Officer of the Parent or the Board. At the Parent’s request, the Executive shall serve the Parent, the Company, and/or its Subsidiaries and affiliates in other capacities in addition to the foregoing, consistent with the Executive’s position as Chief Administrative Officer. In the event that the Executive, during the Term of Employment, serves in any one or more of such additional capacities, the Executive’s compensation shall not be increased beyond that specified in Articles 4 through 7 hereof. In addition, in the event the Executive’s service in one or more of such additional capacities is terminated, the Executive’s compensation, as specified in Articles 4 through 7 hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement. During her employment with the Company, the Executive shall devote substantially all of her business time and attention to the business and affairs of the Parent and the Company, as applicable, and shall use her best efforts, skills and abilities to promote its interests.

(b) The Executive shall be permitted to serve on corporate boards with the Chief Executive Officer’s or Compensation Committee’s advance consent, which shall not be unreasonably withheld. In addition, the Executive may engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Chief Executive Officer or the Compensation Committee and do not individually or in the aggregate interfere with the Executive’s performance of her duties to the Parent and the Company; provided, that if the Executive serves on a board, committee or similar body of any such religious, charitable or community organization or if the Executive engages in teaching, speaking or writing engagements in connection with such activities, the Executive will receive prior written approval from the Chief Executive Officer or the Compensation Committee.

Article 4. Base Salary.

Effective as of January 1, 2022, the Executive shall be paid an annualized Base Salary, payable in accordance with the regular payroll practices of the Company, of not less than seven hundred thousand dollars (\$700,000). The Base Salary shall be reviewed annually for increase in the discretion of the Compensation Committee.

Article 5. Annual Incentive Award.

During the Term of Employment, the Executive shall be eligible for an annual incentive award with payout opportunities that are commensurate with her position and duties, as determined by the Compensation Committee in its discretion. Effective as of January 1, 2022, the Executive's target annual incentive award opportunity will be equal to one hundred percent (100%) of the Executive's Base Salary ("Target Bonus"). The Executive's annual incentive award opportunities shall be based on Parent, Company and individual performance goals determined, and subject to change, by the Compensation Committee in its discretion. The Executive shall be paid her annual incentive award no later than other senior executives of the Company are paid their annual incentive award.

Article 6. Long-Term Incentive Awards.

The Executive shall be eligible to participate in the Parent's long-term incentive plan on terms commensurate with her position and duties, as determined by the Compensation Committee in its discretion. Program design, including but not limited to performance measures and weighting shall be determined by the Compensation Committee in its discretion. Effective as of January 1, 2022, the Compensation Committee will consider setting the Executive's target annual long-term incentive award opportunity equal to two hundred percent (200%) of the Executive's Base Salary.

Article 7. Employee Benefit Programs.

During the Term of Employment, the Executive shall be eligible to participate in any employee benefit plans and programs made available to the Company's senior-level executives generally, subject to Article 10(f) below, as such plans or programs may be in effect from time to time, including, without limitation, 401(k) savings and other plans or programs, medical, dental, hospitalization, short-term and long-term disability and life insurance plans, accidental death and dismemberment protection, travel accident insurance, and any retirement plans or programs and any other employee welfare benefit plans or programs that may be sponsored by the Company in the future from time to time, including but not limited to any plans that supplement the above-listed types of plans or programs, whether funded or unfunded. Notwithstanding the foregoing, the Company may terminate or alter any particular benefit plan or program at any time in its discretion.

Article 8. Reimbursement of Business and Other Expenses.

The Executive is authorized to incur reasonable expenses in carrying out her duties and responsibilities under this Agreement and the Company shall promptly reimburse her for all reasonable business expenses incurred in connection with carrying out the business of the Company, subject to documentation in accordance with the Company's policy.

All reimbursements under Article 8 or otherwise under this Agreement shall be for expenses incurred by the Executive during the Term of Employment. In all events such reimbursement will be made no later than the end of the year following the year in which the expense was incurred. Each provision of reimbursements shall be considered a separate payment and not one of a series of payments for purposes of Section 409A of the Code. In addition, no reimbursement or in-kind benefit shall be subject to liquidation or exchange for another benefit and the amount available for reimbursement, or in-kind benefits provided, during one calendar year in no event will affect the amount of expenses required to be reimbursed or in-kind benefits required to be provided by the Company in any other calendar year.

Article 9. This Article Intentionally Left Blank.

Article 10. Termination of Employment.

(a) Termination Due to Death. In the event that the Executive's employment is terminated due to her death, her estate or her beneficiaries, as the case may be, shall be entitled to the following benefits:

- i. A lump-sum amount, paid within sixty (60) days following the Date of Termination, equal to the Executive's unpaid Base Salary through and including the Date of Termination, and any unreimbursed business expenses incurred prior to the Date of Termination, consistent with the regular payroll practices of the Company (the "Accrued Rights Payment"); and
- ii. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, of the Executive's Target Bonus for the calendar year that includes the Date of Termination; provided however, that such amount shall be adjusted on a Pro Rata basis. For the avoidance of doubt, the Target Bonus shall not include any long-term incentive bonus (or any single-year or other applicable portion of an incentive arrangement covering a period in excess of one year).

(b) Termination Due to Disability. In the event that the Executive's employment is terminated due to her Disability, and conditioned upon, no later than fifty-nine (59) days after the Date of Termination, the Executive's (or Executive's legal representative) execution of an effective Release (with all periods for revocation therein having expired), as well as the Executive's acknowledgement of, and the Executive's compliance with, the Executive's obligations under the restrictive covenants set forth in Articles 11 through 15, she shall be entitled to the following benefits:

- i. The Accrued Rights Payment;
- ii. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, of the Target Bonus for the calendar year that includes the Date of Termination; provided however, that such amount shall be adjusted on a Pro Rata basis; and
- iii. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, equal to the total premiums the Executive would be required to pay for twelve (12) months of COBRA continuation coverage under the Company's health benefit plans (i.e., medical, dental, and vision coverage), determined using the COBRA premium rate in effect for the level of coverage that the Executive had in place immediately prior to the Executive's Date of Termination (the "COBRA Payment"). The Executive shall not be required to purchase COBRA continuation coverage in order to receive the COBRA Payment, nor shall the Executive be required to apply the COBRA Payment towards any payment of applicable premiums for COBRA continuation coverage.

In no event shall a termination of the Executive's employment due to Disability occur until the Party terminating the Executive's employment gives written notice to the other Party in accordance with Article 25 below.

(c) Termination by the Company for Cause. In the event the Company terminates the Executive's employment for Cause, she shall be entitled to the Accrued Rights Payment.

(d) Termination by Company without Cause or Termination by the Executive for Good Reason outside of a Change in Control. In the event the Executive's employment is terminated by the Company without Cause (i.e., on a basis other than specified in Article 10(a), 10(b) or 10(c), or in the event the Executive's employment is terminated by the Executive for Good Reason, in either case, at any time other than during the two-year period beginning on the date of a Change in Control, and conditioned upon, no later than fifty-nine (59) days after the Date of Termination, the Executive's execution of an effective Release (with all periods for revocation therein having expired), as well as the Executive's acknowledgement of, and the Executive's compliance with, the Executive's obligations under the restrictive covenants set forth in Articles 11 through 15, the Executive shall be entitled to the following benefits:

- i. The Accrued Rights Payment;
- ii. A lump sum amount paid on the sixtieth (60th) day following the Date of Termination equal to one (1.0) times the sum of (A) the Executive's Base Salary and (B) the Target Bonus for the calendar year that includes the Date of Termination;
- iii. A lump-sum amount, if any, equal to the actual annual incentive that would have been payable to the Executive for the calendar year that includes the Date of Termination based on actual performance against applicable goals if the Executive had remained employed through the end of such calendar year; provided however, that such amount shall be adjusted on a Pro Rata basis and shall be paid at the same time as annual incentive payments for the calendar year that includes the Date of Termination are paid to other senior executives of the Company;
- iv. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, equal to the COBRA Payment. The Executive shall not be required to purchase COBRA continuation coverage in order to receive the COBRA Payment, nor shall the Executive be required to apply the COBRA Payment towards any payment of applicable premiums for COBRA continuation coverage; and
- v. The Company will assist the Executive in finding other employment opportunities by providing to her, at the Company's limited expense, reasonable professional outplacement services through the provider of the Company's choice. Such outplacement services shall terminate when the Executive finds other employment. However, in no event shall such outplacement services continue for more than twelve (12) months following the Date of Termination or exceed more than \$10,000 in the aggregate.

(e) Termination by Company without Cause or Termination by the Executive for Good Reason in Connection with a Change in Control. If, during the two (2) year period beginning on the date of a Change in Control, the Executive's employment is terminated by the Company without Cause (i.e., on a basis other than specified in Article 10(a), 10(b) or 10(c)), or the Executive's employment is

terminated by the Executive for Good Reason, and conditioned upon, no later than fifty-nine (59) days after the Date of Termination, the Executive's execution of an effective Release (with all periods for revocation therein having expired), as well as the Executive's acknowledgement of, and the Executive's compliance with, the Executive's obligations under the restrictive covenants set forth in Articles 11 through 15, the Executive shall be entitled to the following benefits:

- i. The Accrued Rights Payment;
- ii. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, equal to two (2.0) times the sum of: (A) the Executive's Base Salary in effect at the Date of Termination or, if higher, at the date of the Change in Control, and (B) the Target Bonus for the calendar year that includes the Date of Termination or, if higher, the calendar year that includes the Change in Control;
- iii. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, of the Target Bonus for the calendar year that includes the Date of Termination or, if higher, the calendar year that includes the Change in Control; provided however, that such amount shall be adjusted on a Pro Rata basis; and
- iv. A lump-sum amount, paid on the sixtieth (60th) day following the Date of Termination, equal to the total premiums the Executive would be required to pay for eighteen (18) months of COBRA continuation coverage under the Company's health benefit plans (i.e., medical, dental and vision coverage), determined using the COBRA premium rate in effect for the level of coverage that the Executive had in place immediately prior to the Executive's Date of Termination (the "CIC COBRA Payment"). The Executive shall not be required to purchase COBRA continuation coverage in order to receive the CIC COBRA Payment, nor shall the Executive be required to apply the CIC COBRA Payment towards any payment of applicable premiums for COBRA continuation coverage.

(f) Indemnification of Legal Fees. Effective only upon a Change in Control, it is the intent of the Company that the Executive not be required to incur the expenses associated with the enforcement of her rights upon and following such a Change in Control under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive hereunder upon and following a Change in Control. Accordingly, upon and following a Change in Control, if it should appear to the Executive that the Company has failed to comply with any of its obligations under this Agreement which arose upon or following a Change in Control or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any litigation designed to deny, or to recover from, the Executive the benefits intended to be provided to the Executive hereunder, the Company irrevocably authorizes the Executive from time to time to retain counsel of her choice, at the expense of the Company as hereafter provided, to represent the Executive in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company, or any Subsidiary, Director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company

irrevocably consents to the Executive's entering into an attorney-client relationship with such counsel, and in that connection the Company and the Executive agree that a confidential relationship shall exist between the Executive and such counsel. Upon and following a Change in Control, the Company shall pay or cause to be paid and shall be solely responsible for any and all reasonable attorneys' and related fees and expenses incurred by the Executive as a result of the Company's failure to perform this Agreement or any provision hereof or as a result of the Company or any person contesting the validity or enforceability of this Agreement or any provision hereof as aforesaid, provided any such reimbursement of attorneys' and related fees and expenses shall be made not later than December 31 of the year following the year in which the Executive incurred the expense.

(g) Voluntary Termination. A termination of employment by the Executive on her own initiative, other than a termination due to Disability, death, or a termination for Good Reason, shall have the same consequences as provided in Article 10(c) for a termination for Cause. A voluntary termination under this Article 10(g) shall be effective on the date specified in the Executive's written notice, unless such voluntary termination is earlier accepted by the Company, such early acceptance still to be treated as a voluntary termination by the Executive.

(h) No Mitigation; No Offset. In the event of any termination of employment under this Article 10, the Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that she may obtain.

(i) Nature of Payments. Any amounts due under this Article 10 are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

(j) Timing of Payments. Notwithstanding any provision in this Agreement to the contrary, if the Executive is a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i) and using the identification methodology selected by the Company from time to time) on the Date of Termination, to the extent payments or benefits made hereunder (as well as any other payment or benefit that the Executive is entitled to receive upon her separation from service) constitute deferred compensation (after taking account any applicable exceptions under Section 409A of the Code), and to the extent required by Section 409A of the Code, payments or benefits payable upon separation from service which otherwise would be payable during the six (6) month period immediately following the Date of Termination will instead be paid or made available on the earlier of (i) the first day following the six (6) month anniversary of the Executive's Date of Termination and (ii) the Executive's death.

(k) Accrued Rights. For the avoidance of doubt, notwithstanding anything herein to the contrary, the Accrued Rights Payment shall not be subject to any requirement that the Executive execute a Release.

Article 11. Noncompetition.

(a) The Executive agrees that, during the Executive's employment with the Company and for a period of twelve (12) months following the termination of such employment, whether termination is by the Executive or the Company, and

regardless of the reasons therefor, the Executive shall not serve as an employee, agent, partner, shareholder, owner, investor, director, consultant, or other service provider for, or participate, engage, prepare to engage, or have any financial or other interest (whether directly or indirectly, and whether alone or together or in concert with any other Person(s)), in the business of or any activity relating to competitive gaming (including, without limitation, casino operation and horseracing) (any such business or activity, a “Competitive Business”), in any case, in any location where the Parent or any of its Subsidiaries or affiliates (including the Company) is engaged in at the time of the Executive’s applicable action or activity (or, if earlier, at the time of the termination of the Executive’s employment with the Company and its Subsidiaries); provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Executive may own up to five percent (5%) of the outstanding shares of the capital stock of a company whose securities are registered under Section 12 of the Exchange Act.

(b) The Executive further acknowledges and agrees that, in the event of the termination of her employment with the Company, the Executive’s experience and capabilities are such that the Executive can obtain employment in business activities which do not compete with the Parent or the Company, and that the enforcement of this Agreement by way of injunction shall not prevent the Executive from earning a reasonable livelihood. The Executive further acknowledges and agrees that the covenants contained herein are necessary for the protection of the Parent and the Company’s legitimate business interests and are reasonable in scope and duration.

(c) The Executive further acknowledges and agrees that the noncompetition provision does not restrict the Executive’s ability to provide a service to a former customer or client if each of the following are true: (i) the Executive did not solicit the former customer or client; (ii) the customer or client voluntarily left and sought the Executive’s services; and (iii) the Executive has otherwise complied with the noncompetition’s provisions regarding time, geographic area, and scope of restrained activity, other than any limitation on providing services to a former customer or client who seeks the services of the Executive without any contact instigated by the Executive.

Article 12. Nonsolicitation of Employees.

The Executive agrees that during her employment with the Company and for a period of twelve (12) months following the termination of such employment, whether termination is by the Executive or by the Company, regardless of the reasons therefor, the Executive, except on behalf of or for the benefit of the Parent or the Company while employed, will not directly or indirectly, (a) employ or retain or solicit for employment or arrange to have any other person, firm, or other entity employ or retain or solicit for employment or otherwise participate in the employment or retention of any person who is an employee or consultant of the Parent or any of its Subsidiaries or affiliates (including the Company); or (b) solicit suppliers or customers of the Parent or any of its Subsidiaries or affiliates (including the Company) or induce any such person to terminate his, her, or its relationship with the Parent or any of its Subsidiaries or affiliates (including the Company).

In the event that the scopes of the restrictions in Article 11 or 12 are found overly broad, Executive agrees that a court should reform the restrictions by limiting them to the maximum reasonable scope.

Article 13. Confidentiality.

(a) The Company has advised the Executive and the Executive acknowledges that it is the policy of the Company to maintain as secret and confidential all Protected Information, and that Protected Information has been and will be developed at substantial cost and effort to the Company. The Executive shall not at any time, directly or indirectly, divulge, furnish, or make accessible to any person, firm, corporation, association, or other entity (otherwise than as may be required in the regular course of the Executive's employment), nor use in any manner, either during the Executive's employment or after termination for any reason, any Protected Information, or cause any such Protected Information to enter the public domain.

(b) Notwithstanding the foregoing, nothing in this Agreement will preclude, prohibit or restrict the Executive from (i) communicating with any federal, state or local administrative or regulatory agency or authority, including but not limited to the Securities and Exchange Commission (the "SEC"); (ii) participating or cooperating in any investigation conducted by any governmental agency or authority; or (iii) filing a charge of discrimination with the United States Equal Employment Opportunity Commission or any other federal state or local administrative agency or regulatory authority. Nothing in this Agreement, or any other agreement between the Parties, prohibits or is intended in any manner to prohibit, the Executive from (i) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the U.S. Congress, and any governmental agency Inspector General, or (ii) making other disclosures that are protected under whistleblower provisions of federal law or regulation. This Agreement does not limit the Executive's right to receive an award (including, without limitation, a monetary reward) for information provided to the SEC. The Executive does not need the prior authorization of anyone at the Company to make any such reports or disclosures, and the Executive is not required to notify the Company that the Executive has made such reports or disclosures. Nothing in this Agreement or any other agreement or policy of the Parent or the Company is intended to interfere with or restrain the immunity provided under 18 U.S.C. §1833(b). The Executive cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) (A) in confidence to federal, state or local government officials, directly or indirectly, or to an attorney, and (B) for the purpose of reporting or investigating a suspected violation of law; (ii) in a complaint or other document filed in a lawsuit or other proceeding, if filed under seal; or (iii) in connection with a lawsuit alleging retaliation for reporting a suspected violation of law, if filed under seal and does not disclose the trade secret, except pursuant to a court order. The foregoing provisions regarding protected disclosures are intended to comply with all applicable laws and, if any laws are adopted, amended or repealed after the execution of this Agreement, this Article 13(b) shall be deemed to be amended to reflect the same.

Article 14. Non-Disparagement.

The Executive covenants and agrees that for the longest period legally enforceable, she shall not disparage the image or reputation of the Parent or any of its respective subsidiaries or affiliates (including the Company) and their directors, officers, senior management employees and professional employees, business, or reputation.

Article 15. Litigation and Regulatory Cooperation.

During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Parent or the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Parent or the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Parent or the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable, documented out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Article 15.

Article 16. Resolution of Disputes.

Any disputes, controversy, or claim arising under or in connection with this Agreement or any breach of this Agreement shall be resolved by third party mediation of the dispute and, failing that, by binding arbitration, to be held in Reno, Nevada, in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any arbitral award determination shall be final and binding. The Company will pay the direct costs and expenses of such arbitration. The Company will also reimburse the Executive for reasonable fees and expenses, including reasonable attorney's fees, incurred by the Executive in connection with such arbitration, such reimbursement to be made monthly as such fees and expenses are incurred. In the event the Executive does not prevail at arbitration, however, the Executive will re-pay to the Company any and all expenses and fees previously reimbursed by the Company under this Article 16. The Parties understand and fully agree that they are giving up their constitutional right to have a trial by jury, and are giving up their normal rights of appeal following the issuance of the arbitrator's award except as applicable law provides for judicial review of arbitration proceedings.

Notwithstanding the provisions of this Article 16, the Parties agree that in the event of any dispute between the Executive and the Company as to any of the Executive's obligations under Articles 11, 12, 13, 14, or 15 then the arbitration requirements of this Article 16 shall not apply, and that instead, the Parties must seek relief as to that dispute in a court of general jurisdiction in the State of Nevada to be docketed, if available, on the commercial docket of that court. The Parties hereby consent to the exclusive specific and general jurisdiction of such court. The Executive hereby agrees that, by virtue of her work for the Company, she has purposely availed herself of the benefits and protections of the laws of the State of Nevada. Likewise, the arbitration requirements of this Article 16 shall not apply to (i) claims for workers' compensation benefits, (ii) claims for unemployment compensation benefits, (iii) whistleblower retaliation claims under the Sarbanes-Oxley Act or the Dodd-Frank Act that cannot be arbitrated as a matter of law; (iv) administrative charges for unfair labor practices brought before the National Labor Relations Board, (v) administrative charges brought before the Equal Employment Opportunity Commission or other similar administrative agency, or (vi) any other claims that, as a matter of law, the Parties cannot agree to arbitrate. In addition, in connection with any such court action, the Executive acknowledges and agrees that the remedy at law available to the Company for breach by the Executive of any of her obligations under Articles 11, 12, 13, 14 or 15 of this Agreement would be inadequate and that damages flowing from such a breach would not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies which the Company may have at law, in equity or under this Agreement, upon adequate proof of the Executive's violation of any provision of Articles 11,

12, 13, 14 or 15 of this Agreement, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage. For purposes of clarity, each Party shall bear her or its own costs and expenses in connection with any such litigation, unless such costs and expenses are awarded to a Party by the court in such litigation.

By executing this Agreement, the Parties represent that they have been given the opportunity to fully review the terms of this Agreement. The Executive acknowledges and agrees that the Executive has had an opportunity to ask questions and consult with an attorney of the Executive's choice before signing this Agreement. The Parties understand the terms of this Agreement and freely and voluntarily sign this Agreement. **THE PARTIES FULLY UNDERSTAND AND AGREE THAT THEY ARE GIVING UP CERTAIN RIGHTS OTHERWISE AFFORDED TO THEM BY CIVIL COURT ACTIONS, INCLUDING BUT NOT LIMITED TO THE RIGHT TO A JURY OR COURT TRIAL.**

Article 17. Assignability; Binding Nature.

This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company, whether by purchase, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement), but shall not otherwise be assignable, transferable or delegable by the Company.

The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. No rights or obligations of the Executive under this Agreement may be assigned or transferred by the Executive other than her rights to compensation and benefits, which may be transferred only by will or operation of law. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Article 17 hereof. Without limiting the generality of the foregoing, the Executive's right to receive payments hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by her will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Article 17, the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated.

Article 18. Entire Agreement.

This Agreement contains the entire understanding and agreement between the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the Parties with respect thereto, including without limitation the Prior Agreement.

Article 19. Amendment or Waiver.

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by the Executive and an authorized officer of the Company. No waiver by either Party of any breach by the other Party of any condition or provision contained in this Agreement to

be performed by such other Party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the Executive or an authorized officer of the Company, as the case may be.

Article 20. Withholding.

The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as shall be required pursuant to any law or government regulation or ruling.

Article 21. Severability.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law so as to achieve the purposes of this Agreement.

Article 22. Survivorship.

Except as otherwise expressly set forth in this Agreement, the respective rights and obligations of the Parties hereunder shall survive any termination of the Executive's employment. Except as otherwise expressly provided by this Agreement, this Agreement itself (as distinguished from the Executive's employment) may not be terminated by either Party without the written consent of the other Party. Upon the expiration of the term of this Agreement, the respective rights and obligations of the Parties shall survive such expiration to the extent necessary to carry out the intentions of the Parties as embodied in the rights (such as vested rights) and obligations of the Parties under this Agreement.

Article 23. References.

In the event of the Executive's death or a judicial determination of her incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to her beneficiary, estate or other legal representative.

Article 24. Governing Law.

This Agreement shall be governed in accordance with the laws of Nevada without reference to principles of conflict of laws.

Article 25. Notices.

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (a) delivered personally, (b) delivered by certified or registered mail, postage prepaid, return receipt requested or (c) delivered by overnight courier (provided that a written acknowledgment of receipt is obtained by the overnight courier) to the Party concerned at the address indicated below or to such changed address as such Party may subsequently give such notice of:

If to the Company:

Caesars Enterprise Services, LLC
c/o Caesars Entertainment, Inc.
100 W. Liberty Street, 12th Floor
Reno, NV 89501

Attention: Chief Administrative Officer

If to the Executive:

At the last residential address known by the Company

Article 26. Headings.

The headings of the articles contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

Article 27. Counterparts.

This Agreement may be executed in two or more counterparts.

Article 28. Code Section 409A Compliance.

To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code so as not to result in the assessment of any additional tax or penalty under Section 409A of the Code. This Agreement will be administered in a manner consistent with this intent. References to Section 409A of the Code will include any proposed, temporary or final regulation, or any other formal guidance, promulgated with respect to such section by the U.S. Department of Treasury or the Internal Revenue Service. Each payment or benefit to be made or provided to the Executive under the provisions of this Agreement will be considered to be a separate payment and not one of a series of payments for purposes of Section 409A of the Code. Notwithstanding anything in this Agreement to the contrary, no particular tax result for the Executive is guaranteed, and in no event shall the Company be liable for any taxes, interest or penalties that the Executive may incur under or in connection with Section 409A of the Code or otherwise.

Article 29. Code Section 280G Policy.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be

reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(b) For purposes of this Article 29, the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state and local income, excise and employment taxes imposed on the Executive as a result of the Executive’s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(c) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Article 29(a) shall be made by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Termination Date, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

Article 30. Resignations.

Following the termination of the Executive’s employment for any reason, if and to the extent requested by the Board, the Executive agrees to resign from the Board, all fiduciary positions (including, without limitation, as trustee) and all other offices and positions the Executive holds with the Parent or any of its Subsidiaries or affiliates (including the Company); provided, however, that if the Executive refuses to tender the Executive’s resignation after the Board has made such request, then the Board will be empowered to tender the Executive’s resignation from such offices and positions.

Article 31. Clawback Provisions.

Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to the Executive pursuant to this Agreement or any other agreement or arrangement with the Parent, or any of its Subsidiaries or affiliates (including the Company), which is subject to recovery under any law, government regulation or stock exchange listing requirement, are subject to the Parent’s Clawback & Recoupment Policy approved by the Board as of February 27, 2019 and any amendments thereto and will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Parent or any of its Subsidiaries or affiliates (including the Company) pursuant to any such law, government regulation or stock exchange listing requirement).

(Signature Page to Follow)

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

Executive

/s/ Stephanie Lepori
Name: Stephanie Lepori

Caesars Enterprise Services, LLC

By: /s/ Thomas R. Reeg
Name: Thomas R. Reeg
Title: Chief Executive Officer

TWELFTH AMENDMENT TO LEASE

This **TWELFTH AMENDMENT TO LEASE** (this “**Amendment**”) is entered into as of April 7, 2023, by and among the entities listed on **Schedule A** attached hereto (collectively, and together with their respective successors and assigns, “**Landlord**”), the entities listed on **Schedule B** attached hereto (collectively, and together with their respective successors and assigns, “**Tenant**”) and, solely for the purposes of the penultimate paragraph of **Section 1.1** of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company (“**Propco TRS**”).

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the penultimate paragraph of **Section 1.1** of the Lease, Propco TRS, are parties to that certain Lease (Non-CPLV), dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Non-CPLV), dated as of December 22, 2017, as amended by that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA, dated as of February 16, 2018, as amended by that certain Third Amendment to Lease (Non-CPLV), dated as of April 2, 2018, as amended by that certain Fourth Amendment to Lease (Non-CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, as amended by that certain Fifth Amendment to Lease (Non-CPLV), dated as of July 20, 2020, as amended by that certain Sixth Amendment to Lease, dated as of September 30, 2020, as amended by that certain Amended and Restated Omnibus Amendment to Leases, dated as of October 27, 2020, as amended by that certain Seventh Amendment to Lease, dated as of November 18, 2020, as amended by that certain Eighth Amendment to Lease, dated as of September 3, 2021, as amended by that certain Ninth Amendment to Lease, dated as of November 1, 2021, as amended by that certain Tenth Amendment to Lease, dated as of December 30, 2021, and as amended by that certain Eleventh Amendment to Lease, dated as of August 25, 2022 (collectively, as amended, the “**Lease**”), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Vegas Development LLC, a Delaware limited liability company, Hole in the Wall, LLC, a Nevada limited liability company and CEOC, LLC, a Delaware limited liability company, collectively as sellers, and Flamingo Linq, LLC, a Nevada limited liability company, as buyer, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 7, 2022, with respect to certain real property located in Las Vegas, Nevada, which (i) is described on **Annex A** attached hereto and identified as assessor parcel numbers 16221110001 and 16216410050 (such real property, collectively, the “**CP3 Property**”) and (ii) constitutes a portion of Cluster Parcel Number 3, as set forth on **Schedule 8** of the Lease (the purchase and sale of the CP3 Property is referred to herein as the “**CP3 Transaction**”); and

WHEREAS, in connection with the CP3 Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions.** Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.

2. **Amendments to the Lease.** Effective as of the date hereof:

A. **Termination of the Lease as to the CP3 Property.**

i. the Lease is hereby terminated with respect to the CP3 Property, the CP3 Property no longer constitutes Leased Property under the Lease nor a portion of the Las Vegas Land Assemblage nor a Cluster Parcel nor a portion of the Las Vegas Land Assemblage Facility, and neither Landlord nor Tenant has any further liabilities or obligations under the Lease, from and after the date hereof, in respect of the CP3 Property (provided that any such liabilities or obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment); and

ii. the Guaranty hereby automatically, and without further action by any party, ceases to apply with respect to any Obligations (as defined in the Guaranty) with respect to the CP3 Property to the extent arising from and after the date hereof (provided that any such Obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment). The term "Las Vegas Land Assemblage Facility" refers to the Facility identified as No. 14 on the list of the Facilities annexed as Exhibit A to the Lease.

B. **Rent.** Landlord and Tenant hereby expressly acknowledge and agree that there shall be no reduction in the Rent under the Lease as a result of the removal of the CP3 Property from the Lease or otherwise as a result of the CP3 Transaction.

C. **Variable Rent.** From and after the date hereof, for purposes of any calculation of Variable Rent under the Lease, including any adjustments in Variable Rent based on increases or decreases in Net Revenue, such calculations of Net Revenue shall exclude Net Revenue attributable to the CP3 Property.

D. **CP3 Transaction.**

i. Each of Landlord and Tenant hereby acknowledges and agrees that (i) such party consents to the sale of the CP3 Property, including the severance of the CP3 Property from the Lease as of the date of this Amendment, and (ii) the removal of the CP3 Property from the Lease shall not constitute a L1/L2 Transfer nor a transfer and sale pursuant to Section 22.2(ix) of the Lease.

ii. All of the applicable requirements and conditions set forth in Article XVIII or Article XXII of the Lease with respect to the CP3 Transaction (if, and to the extent, applicable to the CP3 Transaction) are deemed satisfied or waived.

iii. The amounts of the 2018 EBITDAR Pool and 2018 EBITDAR Pool Before Fifth Amendment shall not be reduced as a result of the CP3 Property no longer constituting Leased Property under the Lease and, without limitation, Schedule 11 to the Lease (setting forth the 2018 Facility EBITDAR of Tenant and Joliet Tenant) shall not be modified as a result of the CP3 Transaction.

iv. The treatment of the CP3 Transaction hereunder is not intended to serve as a precedent for the treatment of future dispositions (if any) which may be effectuated under any applicable provision of the Lease or otherwise.

E. Revisions to Exhibits and Schedules to the Lease. The Exhibits and Schedules to the Lease are hereby amended as follows:

i. Legal Description (CP3 Property). The legal descriptions with respect to the Leased Property set forth on Exhibit B and Exhibit F annexed to the Lease are hereby amended such that the legal description with respect to the Leased Property pertaining to the CP3 Property, as set forth on Annex A attached hereto, is hereby deleted from said Exhibit B and Exhibit F.

ii. Cluster Parcels. The list of properties set forth as Cluster Parcel Number 3 on Schedule 8 annexed to the Lease is hereby amended and restated such that Cluster Parcel Number 3 on such Schedule 8 shall read as follows, and the subtotals of “APN Acreage” and “Total Cluster Acreage” set forth in the first table set forth on Schedule 8 annexed to the Lease shall be recalculated and updated to reflect such amendment and restatement:

16216410059	Vegas Development LLC	0.4	3	0.4
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3. No Other Modification or Amendment to the Lease. The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment. For the avoidance of doubt, the Lease shall continue in full force and effect with respect to the balance of the Leased Property (other than the CP3 Property as of the date hereof in accordance with Section 2 of this Amendment).

4. Governing Law; Jurisdiction. This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. Effectiveness. This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. Miscellaneous. If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

**HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
WWW PROPCO LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC**
each, a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HORSESHOE BOSSIER CITY PROP LLC,
a Louisiana limited liability company

By: _____
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

CEOC, LLC, a Delaware limited liability company,
HBR REALTY COMPANY LLC, a Nevada limited liability company,
HARVEYS IOWA MANAGEMENT COMPANY LLC, a Nevada limited liability company,
SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC, an Illinois limited liability company,
HORSESHOE HAMMOND, LLC, an Indiana limited liability company,
HARRAH'S NORTH KANSAS CITY LLC, a Missouri limited liability company,
GRAND CASINOS OF BILOXI, LLC, a Minnesota limited liability company,
ROBINSON PROPERTY GROUP LLC, a Mississippi limited liability company,
TUNICA ROADHOUSE LLC, a Delaware limited liability company,
CAESARS NEW JERSEY LLC, a New Jersey limited liability company,
HARVEYS TAHOE MANAGEMENT COMPANY LLC, a Nevada limited liability company,
CASINO COMPUTER PROGRAMMING, INC., an Indiana corporation,
HARVEYS BR MANAGEMENT COMPANY, INC., a Nevada corporation,
HARRAH'S LAUGHLIN, LLC, a Nevada limited liability company,
JAZZ CASINO COMPANY, L.L.C., a Louisiana limited liability company

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signature Page to Twelfth Amendment to Regional Lease]1

HORSESHOE ENTERTAINMENT,
a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada limited partnership,
its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company,
its general partner

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: Caesars New Jersey LLC,
a New Jersey limited liability company,
its sole member

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

HOLE IN THE WALL, LLC,
a Nevada limited liability company

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signature Page to Twelfth Amendment to Regional Lease]1

CHESTER DOWNS AND MARINA, LLC,
a Pennsylvania limited liability company

By: Harrah's Chester Downs Investment Company, LLC,
its sole member

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC,
a New Jersey limited liability company

By: Caesars Resort Collection, LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signature Page to Twelfth Amendment to Regional Lease]1

Acknowledged and agreed, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

[Signature Page to Twelfth Amendment to Regional Lease]1

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned (“Guarantor”) hereby: (a) acknowledges receipt of the Twelfth Amendment to Lease (the “Amendment”; capitalized terms used herein without definition having the meanings set forth in the Amendment), dated as of April 7, 2023, by and among the entities listed on Schedule A attached thereto, as Landlord, and the entities listed on Schedule B attached thereto, as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor’s obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the “Guaranty”), by and between Guarantor and Landlord, and agrees that, except as expressly set forth in Section 2.A.ii of the Amendment, nothing in the Amendment in any way impairs or lessens the Guarantor’s obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of April 7, 2023.

[Acknowledgment and Agreement of Guarantor]1

CAESARS ENTERTAINMENT, INC.

By: _____
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signature Page to Acknowledgment and Agreement of Guarantor]1

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
WWW Propco LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC
Philadelphia Propco LLC
Harrah's Atlantic City LLC
New Laughlin Owner LLC
Harrah's New Orleans LLC

Schedule A

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Harveys Tahoe Management Company LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC
Chester Downs and Marina, LLC
Harrah's Atlantic City Operating Company, LLC
Harrah's Laughlin, LLC
Jazz Casino Company, L.L.C.

Schedule B

[US-DOCS\134083169.6]

Annex A

CP3 Property

(APN 162-16-410-050)

That portion of the North Half (N ½) of Section 21, Township 21 South, Range 61 East, M.D.M., more particularly described as follows:

Lot Three (3) as shown on file in File 62 of Parcel Maps, Page 64 in the office of the County Recorder, Clark County, Nevada.

(APN 162-21-110-001)

Lots One (1) and Two (2) in Block One (1) of Flamingo Estates, as shown by map thereof on file in Book 5 of Plats, Page 22, in the office of the County Recorder, Clark County, Nevada.

Excepting therefrom that portion as conveyed to Clark County by Deed recorded June 8, 1983, in Book 1747 as Document No. 1706535, of Official Records.

Further Excepting therefrom that portion as conveyed to Clark County by Deed recorded February 24, 1994, in Book 940224 as Document No. 00525, of Official Records.

Further Excepting therefrom that portion as relinquished to Clark County by that certain Resolution of Relinquishment of a portion of State Highway Right of Way recorded December 3, 2002, in Book 20021203 as Document No. 01508, of Official Records.

Annex A

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Thomas R. Reeg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caesars Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2023

/s/ THOMAS R. REEG

Thomas R. Reeg
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Bret Yunker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caesars Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2023

/s/ BRET YUNKER

Bret Yunker
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION
of
Thomas R. Reeg
Chief Executive Officer

I, Thomas R. Reeg, Chief Executive Officer of Caesars Entertainment, Inc. (the "Company"), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2023 (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2023

/s/ THOMAS R. REEG

Thomas R. Reeg

Chief Executive Officer

CERTIFICATION
of
Bret Yunker
Chief Financial Officer

I, Bret Yunker, Chief Financial Officer of Caesars Entertainment, Inc. (the “Company”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2023 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2023

/s/ BRET YUNKER

Bret Yunker

Chief Financial Officer

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

Exhibit. Supplemental Consolidating Financial Information

The following tables present the consolidating condensed balance sheets as of March 31, 2023 and December 31, 2022, consolidating condensed statements of operations for the three months ended March 31, 2023 and 2022, cash flows for the three months ended March 31, 2023 and 2022, and Adjusted EBITDA for the three months ended March 31, 2023 of Caesars Resort Collection, LLC (“CRC”), as it consolidates into CEI as a wholly-owned subsidiary. “Other Operations, Eliminations” presents the operations of CEI’s other subsidiaries, including eliminations of intercompany transactions.

The consolidating condensed balance sheets as of March 31, 2023 and December 31, 2022 are as follows:

<i>(In millions)</i>	March 31, 2023			December 31, 2022		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 468	\$ 497	\$ 965	\$ 432	\$ 606	\$ 1,038
Restricted cash	24	131	155	15	116	131
Accounts receivable, net	409	134	543	463	148	611
Inventories	44	13	57	45	14	59
Prepayments and other current assets	203	88	291	171	92	263
Total current assets	1,148	863	2,011	1,126	976	2,102
Investments in and advances to unconsolidated affiliates	—	91	91	—	94	94
Property and equipment, net	11,545	3,063	14,608	11,540	3,058	14,598
Goodwill	9,014	1,990	11,004	9,014	1,990	11,004
Intangible assets other than goodwill	3,130	1,548	4,678	3,149	1,565	4,714
Other assets, net	1,495	(538)	957	1,482	(467)	1,015
Total assets	\$ 26,332	\$ 7,017	\$ 33,349	\$ 26,311	\$ 7,216	\$ 33,527
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable	\$ 197	\$ 88	\$ 285	206	\$ 108	\$ 314
Accrued interest	106	146	252	120	198	318
Accrued other liabilities	965	807	1,772	1,070	858	1,928
Due to affiliates	1,476	(1,476)	—	1,481	(1,481)	—
Current portion of long-term debt	2	66	68	\$ 67	41	108
Total current liabilities	2,746	(369)	2,377	2,944	(276)	2,668
Long-term financing obligation	11,398	1,250	12,648	11,364	1,246	12,610
Long-term debt	1,024	11,880	12,904	5,173	7,486	12,659
Long-term debt to related party	4,435	(4,435)	—	15	(15)	—
Deferred income taxes	1,424	(493)	931	1,518	(531)	987
Other long-term liabilities	432	422	854	427	425	852
Total liabilities	21,459	8,255	29,714	21,441	8,335	29,776
STOCKHOLDERS' EQUITY:						
Caesars stockholders' equity	4,861	(1,264)	3,597	4,858	(1,145)	3,713
Noncontrolling interests	12	26	38	12	26	38
Total stockholders' equity	4,873	(1,238)	3,635	4,870	(1,119)	3,751
Total liabilities and stockholders' equity	\$ 26,332	\$ 7,017	\$ 33,349	\$ 26,311	\$ 7,216	\$ 33,527

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

The consolidating condensed statements of operations for the three months ended March 31, 2023 and 2022 are as follows:

<i>(In millions)</i>	Three Months Ended March 31, 2023			Three Months Ended March 31, 2022		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
REVENUES:						
Casino	\$ 958	\$ 627	\$ 1,585	\$ 972	\$ 320	\$ 1,292
Food and beverage	363	64	427	289	50	339
Hotel	450	53	503	335	48	383
Other	269	46	315	242	36	278
Net revenues	2,040	790	2,830	1,838	454	2,292
EXPENSES:						
Casino	458	370	828	454	610	1,064
Food and beverage	209	42	251	167	35	202
Hotel	115	22	137	96	19	115
Other	100	7	107	83	5	88
General and administrative	339	170	509	325	174	499
Corporate	76	3	79	67	2	69
Depreciation and amortization	223	77	300	218	82	300
Transaction and other operating costs, net	9	7	16	4	(39)	(35)
Total operating expenses	1,529	698	2,227	1,414	888	2,302
Operating income (loss)	511	92	603	424	(434)	(10)
OTHER EXPENSE:						
Interest expense, net	(404)	(190)	(594)	(380)	(172)	(552)
Loss on extinguishment of debt	(197)	—	(197)	—	—	—
Other income (loss)	—	3	3	22	(18)	4
Total other expense	(601)	(187)	(788)	(358)	(190)	(548)
Income (loss) from continuing operations before income taxes	(90)	(95)	(185)	66	(624)	(558)
Benefit for income taxes	24	25	49	(10)	117	107
Loss from continuing operations, net of income taxes	(66)	(70)	(136)	56	(507)	(451)
Discontinued operations, net of income taxes	—	—	—	(1)	(228)	(229)
Net loss	(66)	(70)	(136)	55	(735)	(680)
Net (income) loss attributable to noncontrolling interests	—	—	—	—	—	—
Net loss attributable to Caesars	\$ (66)	\$ (70)	\$ (136)	\$ 55	\$ (735)	\$ (680)

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

The consolidating condensed statements of cash flows for the three months ended March 31, 2023 and 2022 are as follows:

<i>(In millions)</i>	Three Months Ended March 31, 2023			Three Months Ended March 31, 2022		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net cash provided by (used in) operating activities	\$ 192	\$ (18)	\$ 174	\$ 85	\$ (331)	\$ (246)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property and equipment, net	(186)	(86)	(272)	(137)	(73)	(210)
Proceeds from sale of businesses, property and equipment, net of cash sold	1	—	1	3	—	3
Proceeds from the sale of investments	—	—	—	—	27	27
Proceeds from insurance related to property damage	—	—	—	—	27	27
Other	40	—	40	—	(6)	(6)
Net cash used in investing activities	(145)	(86)	(231)	(134)	(25)	(159)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from long-term debt and revolving credit facilities	4,420	280	4,700	—	475	475
Repayments of long-term debt and revolving credit facilities	(4,420)	(210)	(4,630)	(16)	(476)	(492)
Financing obligation payments	(1)	—	(1)	—	—	—
Debt issuance and extinguishment costs	—	(79)	(79)	—	—	—
Taxes paid related to net share settlement of equity awards	—	(13)	(13)	—	(20)	(20)
Net cash used in financing activities	(1)	(22)	(23)	(16)	(21)	(37)
CASH FLOWS FROM DISCONTINUED OPERATIONS:						
Cash flows from operating activities	—	—	—	—	(13)	(13)
Cash flows from investing activities	—	—	—	—	(39)	(39)
Cash flow from financing activities	—	—	—	—	—	—
Net cash from discontinued operations	—	—	—	—	(52)	(52)
Effect of foreign currency exchange rates on cash	—	—	—	—	(9)	(9)
Decrease in cash, cash equivalents and restricted cash	46	(126)	(80)	(65)	(438)	(503)
Cash, cash equivalents and restricted cash, beginning of period	448	855	1,303	527	1,494	2,021
Cash, cash equivalents and restricted cash, end of period	\$ 494	\$ 729	\$ 1,223	\$ 462	\$ 1,056	\$ 1,518

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

The reconciliations of net income (loss) attributable to Caesars to Adjusted EBITDA for the three months ended March 31, 2023 are as follows:

<i>(In millions)</i>	Three Months Ended March 31, 2023		
	CRC	Other Operations, Eliminations	CEI Consolidated
Net loss attributable to Caesars	\$ (66)	\$ (70)	\$ (136)
Benefit for income tax	(24)	(25)	(49)
Other income	—	(3)	(3)
Loss on extinguishment of debt	197	—	197
Interest expense, net	404	190	594
Depreciation and amortization	223	77	300
Transaction costs and other, net	18	10	28
Stock-based compensation expense	27	—	27
Adjusted EBITDA	<u>\$ 779</u>	<u>\$ 179</u>	<u>\$ 958</u>