

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 June 30, 2025
OR

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

Commission file number: 001-38850



Bally's Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-0904604

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

100 Westminster Street Providence, RI

(Address of principal executive offices)

02903

(Zip Code)

(401) 475-8474

(Registrant's telephone number, including area code)

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

Title of each class
Common stock, \$0.01 par value

Trading Symbol
BALY

Name of each exchange on which registered
New York Stock Exchange

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

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

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

Large Accelerated Filer	<input type="checkbox"/>	Accelerated filer	<input checked="" 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 ☒

As of July 31, 2025, the number of shares of the registrant's \$0.01 par value common stock outstanding was 49,122,902.

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

BALLY'S CORPORATION

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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements

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

	Successor	Predecessor
	June 30,	December 31,
	2025	2024
<u>Assets</u>		
Cash and cash equivalents	\$ 174,567	\$ 171,233
Restricted cash	66,336	60,021
Accounts receivable, net	89,955	55,486
Inventory	24,118	19,317
Tax receivable	3,043	26,345
Prepaid expenses and other current assets	131,958	115,471
Total current assets	489,977	447,873
Property and equipment, net	1,216,170	630,702
Right of use assets, net	1,934,380	1,544,936
Goodwill	1,720,333	1,799,944
Intangible assets, net	1,940,811	1,307,343
Deferred tax asset	2,605	2,309
Other assets	489,981	127,030
Total assets	\$ 7,794,257	\$ 5,860,137
<u>Liabilities and Stockholders' Equity</u>		
Current portion of long-term debt	\$ 19,450	\$ 19,450
Current portion of lease liabilities	94,497	65,827
Accounts payable	125,725	85,771
Accrued income taxes	84,989	25,468
Accrued and other current liabilities	669,250	481,292
Total current liabilities	993,911	677,808
Long-term debt, net	3,561,719	3,299,323
Long-term portion of lease liabilities	2,023,377	1,554,479
Deferred tax liability	442,738	118,214
Other long-term liabilities	130,073	179,411
Total liabilities	7,151,818	5,829,235
Commitments and contingencies (Note 18)		
Stockholders' equity:		
Common stock (\$0.01 par value, 200,000,000 shares authorized; 49,120,097 (Successor) and 40,787,007 (Predecessor) shares issued; 49,120,097 (Successor) and 40,787,007 (Predecessor) shares outstanding)	490	408
Preferred stock (\$0.01 par value; 10,000,000 shares authorized; no shares outstanding)	—	—
Additional paid-in-capital	750,129	1,414,410
Accumulated deficit	(193,920)	(1,123,649)
Accumulated other comprehensive income (loss)	73,379	(260,267)
Total Bally's Corporation stockholders' equity	630,078	30,902
Non-controlling interest	12,361	—
Total stockholders' equity	642,439	30,902
Total liabilities and stockholders' equity	\$ 7,794,257	\$ 5,860,137

See accompanying notes to condensed consolidated financial statements.

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

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Revenue:					
Gaming	\$ 557,631	\$ 871,410	\$ 185,767	\$ 524,751	\$ 1,040,808
Non-gaming	99,903	154,818	34,731	96,906	199,331
Total revenue	657,534	1,026,228	220,498	621,657	1,240,139
Operating costs and expenses:					
Gaming	242,036	375,559	87,994	236,170	472,314
Non-gaming	48,005	77,114	16,526	48,713	96,824
General and administrative	298,198	458,589	114,401	252,419	500,855
Depreciation and amortization	71,732	119,213	22,343	78,782	238,528
Total operating costs and expenses	659,971	1,030,475	241,264	616,084	1,308,521
(Loss) income from operations	(2,437)	(4,247)	(20,766)	5,573	(68,382)
Other (expense) income:					
Interest expense, net	(97,522)	(149,259)	(27,229)	(74,200)	(147,331)
Other non-operating income (expense), net	56,964	47,934	(2,365)	6,930	11,484
Total other expense, net	(40,558)	(101,325)	(29,594)	(67,270)	(135,847)
Loss before income taxes	(42,995)	(105,572)	(50,360)	(61,697)	(204,229)
(Benefit) provision for income taxes	185,441	88,348	664	(1,501)	29,881
Net loss	\$ (228,436)	\$ (193,920)	\$ (51,024)	\$ (60,196)	\$ (234,110)
Basic loss per share	\$ (3.76)	\$ (3.20)	\$ (1.05)	\$ (1.24)	\$ (4.85)
Weighted average common shares outstanding - basic	60,686	60,554	48,743	48,498	48,308
Diluted loss per share	\$ (3.76)	\$ (3.20)	\$ (1.05)	\$ (1.24)	\$ (4.85)
Weighted average common shares outstanding - diluted	60,686	60,554	48,743	48,498	48,308

See accompanying notes to condensed consolidated financial statements.

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

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Net loss	\$ (228,436)	\$ (193,920)	\$ (51,024)	\$ (60,196)	\$ (234,110)
Other comprehensive income (loss):					
Foreign currency translation adjustments	102,442	145,482	(13,097)	(8,885)	(46,679)
Net unrealized derivative (loss) gain on cash flow hedges, net of tax	(6,400)	(19,828)	968	2,304	14,587
Net unrealized derivative (loss) gain on net investment hedges, net of tax	(34,826)	(52,275)	2,686	5,788	17,254
Other comprehensive income (loss)	61,216	73,379	(9,443)	(793)	(14,838)
Total comprehensive loss	<u>\$ (167,220)</u>	<u>\$ (120,541)</u>	<u>\$ (60,467)</u>	<u>\$ (60,989)</u>	<u>\$ (248,948)</u>

See accompanying notes to condensed consolidated financial statements.

BALLY'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) (unaudited)
(In thousands, except share data)

Predecessor								
	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non- controlling Interest	Total Stockholders' Equity (Deficit)
	Shares Outstanding	Amount						
Balance as of December 31, 2024	40,787,007	\$ 408	\$ 1,414,410	\$ —	\$ (1,123,649)	\$ (260,267)	\$ —	\$ 30,902
Issuance of restricted stock and other stock awards	19,660	—	(76)	—	—	—	—	(76)
Share-based compensation	—	—	1,954	—	—	—	—	1,954
Other comprehensive loss	—	—	—	—	—	(9,443)	—	(9,443)
Net loss	—	—	—	—	(51,024)	—	—	(51,024)
Balance as of February 7, 2025 (Predecessor)	40,806,667	408	1,416,288	—	(1,174,673)	(269,710)	—	(27,687)
Successor								
	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Non- controlling Interest	Total Stockholders' Equity
	Shares Outstanding	Amount						
Balance as of February 8, 2025 (Successor)	71,258,763	712	1,171,824	—	—	—	—	1,172,536
Share repurchases	(22,804,384)	(228)	(420,114)	—	—	—	—	(420,342)
Issuance of restricted stock and other stock awards	557,417	5	(5,132)	—	—	—	—	(5,127)
Bally's Chicago Inc. Issuance	—	—	—	—	—	—	12,361	12,361
Share-based compensation	—	—	2,740	—	—	—	—	2,740
Other comprehensive income	—	—	—	—	—	12,163	—	12,163
Net income	—	—	—	—	34,516	—	—	34,516
Balance as of March 31, 2025 (Successor)	49,011,796	\$ 489	\$ 749,318	\$ —	\$ 34,516	\$ 12,163	\$ 12,361	\$ 808,847
Issuance of restricted stock and other stock awards	108,301	1	(225)	—	—	—	—	(224)
Share-based compensation	—	—	2,350	—	—	—	—	2,350
Other	—	—	(1,314)	—	—	—	—	(1,314)
Other comprehensive income	—	—	—	—	—	61,216	—	61,216
Net income	—	—	—	—	(228,436)	—	—	(228,436)
Balance as of June 30, 2025 (Successor)	49,120,097	\$ 490	\$ 750,129	\$ —	\$ (193,920)	\$ 73,379	\$ 12,361	\$ 642,439

BALLY'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) (unaudited)
(In thousands, except share data)

Predecessor								
	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non- controlling Interest	Total Stockholders' Equity
	Shares Outstanding	Amount						
Balance as of December 31, 2023 (Predecessor)	39,973,202	\$ 400	\$ 1,400,479	\$ —	\$ (555,895)	\$ (209,558)	\$ 428	\$ 635,854
Issuance of restricted stock and other stock awards	423,805	4	(2,778)	—	—	—	—	(2,774)
Share-based compensation	—	—	3,058	—	—	—	—	3,058
Settlement of consideration	86,368	1	(125)	—	—	—	—	(124)
Other	—	—	1,750	—	—	—	—	1,750
Other comprehensive loss	—	—	—	—	—	(14,045)	—	(14,045)
Net loss	—	—	—	—	(173,914)	—	—	(173,914)
Balance as of March 31, 2024 (Predecessor)	40,483,375	\$ 405	\$ 1,402,384	\$ —	\$ (729,809)	\$ (223,603)	\$ 428	\$ 449,805
Issuance of restricted stock and other stock awards	135,981	1	262	—	—	—	—	263
Share-based compensation	—	—	4,472	—	—	—	—	4,472
Other comprehensive income	—	—	—	—	—	(793)	—	(793)
Net loss	—	—	—	—	(60,196)	—	—	(60,196)
Balance as of June 30, 2024	40,619,356	\$ 406	\$ 1,407,118	\$ —	\$ (790,005)	\$ (224,396)	\$ 428	\$ 393,551

See accompanying notes to condensed consolidated financial statements.

BALLY'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Six Months Ended June 30,		
	Successor	Predecessor	
	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Six Months Ended June 30, 2024
<i>(in thousands)</i>			
Cash flows from operating activities:			
Net loss	\$ (193,920)	\$ (51,024)	\$ (234,110)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	119,213	22,343	238,528
Non-cash amortization of right of use assets	35,390	7,228	28,876
Share-based compensation	5,090	1,954	7,530
Impairment charges	—	—	12,757
Non-cash amortization of debt discount and debt issuance costs	35,521	1,004	5,781
Loss on extinguishment of debt	17,372	—	—
Deferred income taxes	31,902	(3,010)	31,654
Change in fair value of fair value option assets	(66,267)	—	—
(Income) loss from equity method investments	(1,464)	594	(789)
Foreign exchange gain	4,947	(194)	(3,799)
Other operating activities	(8,070)	3,511	(6,502)
Changes in operating assets and liabilities	79,085	(62,592)	(40,227)
Net cash provided by (used in) operating activities	58,799	(80,186)	39,699
Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired	21,233	—	208
Proceeds from net investment hedges	—	—	2,051
Cash paid for The Star Investment	(83,720)	—	—
Capital expenditures	(79,422)	(16,424)	(63,762)
Cash paid for capitalized software	(20,533)	(2,315)	(24,209)
Acquisition of gaming licenses	(2,000)	—	(1,211)
Other investing activities	890	1,042	(679)
Net cash used in investing activities	(163,552)	(17,697)	(87,602)
Cash flows from financing activities:			
Issuance of long-term debt	893,000	97,000	230,000
Repayments of long-term debt	(347,486)	(10,000)	(224,725)
Deferred payables	4,682	11,064	60,796
Cash paid for repurchased shares	(416,180)	—	—
Payment of financing fees	(21,326)	—	—
Bally's Chicago Inc. issuance under private placement	12,361	—	—
Other financing activities	(5,356)	(76)	(6,269)
Net cash provided by financing activities	119,695	97,988	59,802
Effect of foreign currency on cash and cash equivalents and restricted cash	(4,941)	(457)	(2,812)
Net change in cash and cash equivalents and restricted cash	10,001	(352)	9,087
Cash and cash equivalents and restricted cash, beginning of period	230,902	231,254	315,262
Cash and cash equivalents and restricted cash, end of period	\$ 240,903	\$ 230,902	\$ 324,349

BALLY'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Six Months Ended June 30,		
	Successor	Predecessor	
	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Six Months Ended June 30, 2024
<i>(in thousands)</i>			
<i>Supplemental disclosure of cash flow information:</i>			
Cash paid for interest, net of amounts capitalized	\$ 116,136	\$ 39,069	\$ 158,505
Income taxes paid, net of refunds	15,044	(73)	(13,630)
<i>Non-cash investing and financing activities:</i>			
Unpaid property and equipment	\$ 64,602	\$ 15,772	\$ 25,746
Unpaid capitalized software	1,149	6,158	781
Consideration issued for the Company Merger	955,647	—	—
Consideration issued for the Queen Merger	555,751	—	—
Intralot shares received as settlement of loan receivable	46,905	—	—
Unpaid equity method investment	6,001	—	—
Bally's Chicago - land development liability	—	—	1,931

	Successor	Predecessor	
	June 30, 2025	February 7, 2025	December 31, 2024
Reconciliation of cash and cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 174,567	\$ 173,549	\$ 171,233
Restricted cash	66,336	57,353	60,021
Total cash and cash equivalents and restricted cash	\$ 240,903	\$ 230,902	\$ 231,254

See accompanying notes to condensed consolidated financial statements.

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. GENERAL INFORMATION

Description of Business

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

Casinos & Resorts	Location	Type	Built/Acquired
Bally's Twin River Lincoln Casino Resort ("Bally's Twin River")	Lincoln, Rhode Island	Casino and Resort	2004
Bally's Arapahoe Park	Aurora, Colorado	Racetrack/OTB Site	2004
Hard Rock Hotel & Casino Biloxi ("Hard Rock Biloxi") ⁽²⁾	Biloxi, Mississippi	Casino and Resort	2014
Bally's Tiverton Casino & Hotel ("Bally's Tiverton") ⁽²⁾	Tiverton, Rhode Island	Casino and Hotel	2018
Bally's Dover Casino Resort ("Bally's Dover") ⁽²⁾	Dover, Delaware	Casino, Resort and Raceway	2019
Bally's Black Hawk ⁽¹⁾⁽²⁾	Black Hawk, Colorado	Three Casinos	2020
Bally's Kansas City Casino ("Bally's Kansas City")	Kansas City, Missouri	Casino	2020
Bally's Vicksburg Casino ("Bally's Vicksburg")	Vicksburg, Mississippi	Casino and Hotel	2020
Bally's Atlantic City Casino Resort ("Bally's Atlantic City")	Atlantic City, New Jersey	Casino and Resort	2020
Bally's Shreveport Casino & Hotel ("Bally's Shreveport")	Shreveport, Louisiana	Casino and Hotel	2020
Bally's Lake Tahoe Casino Resort ("Bally's Lake Tahoe")	Lake Tahoe, Nevada	Casino and Resort	2021
Bally's Evansville Casino & Hotel ("Bally's Evansville") ⁽²⁾	Evansville, Indiana	Casino and Hotel	2021
Bally's Quad Cities Casino & Hotel ("Bally's Quad Cities") ⁽²⁾	Rock Island, Illinois	Casino and Hotel	2021
Bally's Chicago Casino ("Bally's Chicago") ⁽³⁾	Chicago, Illinois	Casino	2023
Bally's Golf Links at Ferry Point ("Bally's Golf Links")	Bronx, New York	Golf Course	2023
The Queen Baton Rouge ⁽²⁾	Baton Rouge, Louisiana	Casino	2025
The Belle of Baton Rouge ⁽²⁾	Baton Rouge, Louisiana	Casino and Hotel	2025
Casino Queen Marquette ⁽²⁾	Marquette, Iowa	Casino	2025
DraftKings at Casino Queen ⁽²⁾	East St. Louis, Illinois	Casino and Hotel	2025

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

(2) Properties leased from Gaming and Leisure Properties, Inc. ("GLPI"). Refer to Note 16 "Leases" for further information.

(3) Temporary casino facility as permanent casino resort is constructed. Site of future permanent casino resort is leased from GLPI.

The Company's International Interactive reportable segment includes the Company's interactive European gaming operations, the Company's global licensing revenue generating operations, as well as one casino property, Bally's Newcastle, in the UK.

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

Refer to Note 19 "Segment Reporting" for further information.

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Agreement and Plan of Merger

On February 7, 2025, the Company completed the previously announced transactions under the Agreement and Plan of Merger (as amended, the “Merger Agreement”) with SG Parent LLC, a Delaware limited liability company (“Parent”), The Queen Casino & Entertainment, Inc., a Delaware corporation and affiliate of Parent (“Queen”), Epsilon Sub I, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub I”), Epsilon Sub II, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub II”, and together with the Company and Merger Sub I, the “Company Parties”), and, solely for purposes of specified provisions thereof, SG CQ Gaming LLC, a Delaware limited liability company (“SG Gaming” and together with Parent and Queen, the “Buyer Parties”). As a result of the transactions, Parent and its affiliates beneficially own 73.8% of the issued and outstanding Company common stock.

Pursuant to the Merger Agreement, (i) SG Gaming contributed to the Company all shares of common stock of Queen that it owns (the “Queen Share Contribution”) in exchange for 26,909,895 shares of common stock of the Company (“Company Common Stock”) based on a 2.4536890595 share exchange ratio, (ii) the Company issued approximately 3,542,201 shares of Company Common Stock to the other stockholders of Queen, (iii) immediately thereafter, Merger Sub I merged into the Company (the “Company Merger”), with the Company surviving the Company Merger and (iv) immediately thereafter, Merger Sub II merged into Queen (the “Queen Merger,” and together with the Company Merger, the “Merger”), with Queen surviving the Queen Merger as a direct, wholly owned subsidiary of the Company.

At the effective time of the Merger, each share of the Company’s Common Stock issued and outstanding (other than shares of common stock owned by (i) the Company or any of its wholly owned subsidiaries, (ii) Parent or any of Parent’s affiliates, (iii) by holders exercising statutory appraisal rights; (iv) by SG Gaming following the Queen Share Contribution; or (v) by holders who have elected to have such shares remain issued and outstanding following the Company Merger (a “Rolling Share Election”)) were converted into the right to receive cash consideration equal to \$18.25 per share of common stock (the “Per Share Price”). Each holder of shares of Company Common Stock (other than the Company or its subsidiaries) had the option to make a Rolling Share Election.

Concurrently with the Merger Agreement, the Company and Parent entered into support agreements with Standard RI Ltd. (“SRL”) (the “SG Support Agreement”), SBG Gaming, LLC, a designated subsidiary of Sinclair (“SBG”) (the “SBG Support Agreement”), and Noel Hayden (the “Hayden Support Agreement”), collectively known as the “Support Agreements”. The Support Agreements obligated the parties to vote their respective shares in favor of the Merger Agreement and related transactions, and to make a Rolling Share Election for their shares, including those acquired through options or warrants. Additionally, under the SBG Support Agreement, SBG agreed to waive its right to the options it previously acquired under a Framework Agreement originally entered into in 2020 (the “Framework Agreement”), upon completion of the Merger, and in exchange, the Company issued SBG warrants to purchase 384,536 shares of the Company’s common stock under substantially similar terms to the Penny Warrants issued to SBG under the Framework Agreement. In connection with the Merger, as of February 7, 2025, all outstanding Performance Warrants became immediately exercisable at a price of \$0.01 per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules of the Securities and Exchange Commission (the "SEC") for interim financial information, including the instructions to Form 10-Q and Rule 10-01 of the SEC's Regulation S-X. Accordingly, certain information and note disclosures normally required in complete financial statements prepared in conformity with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted. In the Company's opinion, these condensed consolidated financial statements include all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented.

These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

We have made estimates and judgments affecting the amounts reported in our condensed consolidated financial statements and the accompanying notes. The actual results that we experience may differ materially from our estimates.

As described in Note 1, "General Information", the Company completed the Merger with Queen on February 7, 2025 (the "Closing"), with Queen surviving the Merger as a wholly-owned subsidiary of the Company. The Parent and its affiliates maintained a controlling financial interest, as defined by ASC 810, in Queen before and after the Merger, and in the Company upon consummation of the Merger. The Merger with Queen was accounted for as a transaction between entities under common control because the Parent and its affiliates contributed a wholly owned subsidiary into the Company, which became a controlled subsidiary of the Parent and its affiliates upon consummation of the merger. The Company has elected to push down its Parent's basis in its net assets into its unaudited condensed consolidated financial statements, and as a result, unless the context otherwise requires, the "Company," for periods prior to the Closing refers to Bally's ("Predecessor"), and for the periods after the Closing refers to the combined Company of Bally's and Queen ("Successor" or the "Company"). As a result of the Merger, the results of operations, financial position and cash flows of the Predecessor and the Successor are not directly comparable. As Bally's was deemed to be the predecessor entity, the historical financial statements of Bally's became the historical financial statements of the combined Company, upon the consummation of the Merger. As a result, the financial statements included in this report reflect (i) the historical operating results of Bally's prior to the Merger and (ii) the combined results of the Company following the Closing. The accompanying unaudited condensed consolidated financial statements include a Predecessor period, which includes the period through February 7, 2025 concurrent with the Merger, and a Successor period from February 8, 2025 through June 30, 2025. A black line between the Successor and Predecessor periods has been placed in the condensed consolidated financial statements and in the tables to the notes to the condensed consolidated financial statements to highlight the lack of comparability between these two periods.

Queen is a regional gaming, hospitality and entertainment company that owns and operates four casinos across three states. The Merger expands the Company's Casinos & Resorts geographic footprint and enhances the Company's development pipeline, which aligns with the Company's broader strategic initiatives.

Certain adjustments have been made to Queen's historical carrying values to conform accounting policies with the Company, with any such adjustments being recorded to equity. The preliminary purchase price of Queen is estimated based on the fair value of all existing and outstanding shares of Queen that were exchanged for shares of Company common stock, with the net effect of the transaction being charged to equity.

The preliminary purchase price of Queen and adjustment to equity resulting from the merger consists of the following:

(in thousands, except share and per share data)

	Amount
Queen common stock outstanding on February 7, 2025	10,967,117
Per share ratio	2.45
Equivalent Bally's common stock to be issued	26,909,895
Bally's common stock issued to settle Queen's outstanding warrant and restricted stock awards	3,542,201
Total Bally's shares issued for Queen shares outstanding	30,452,096
Share price per Merger Agreement	\$ 18.25
Total purchase price	\$ 555,751
Less: Queen net assets assumed	217,027
Equity adjustment associated with the Queen merger	\$ 338,724

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

For the three months ended June 30, 2025 (Successor) and period from February 8, 2025 to June 30, 2025 (Successor), revenue for Queen was \$61.3 million and \$96.0 million, respectively and net income was \$41.8 million and \$54.8 million, respectively.

Equity Method Investments

In 2025, following the Queen merger, the Company has an investment in Intralot S.A. Integrated Lottery Systems and Services ("Intralot"), a Greek publicly listed company on the Athens Stock Exchange, that supplies integrated gaming and transaction processing systems, game content, sports betting management and interactive gaming services to the state-licensed gaming and lottery organizations worldwide. The total initial investment represented approximately 26.86% of the outstanding shares of Intralot. During the three months ended June 30, 2025 (Successor), an existing loan receivable was settled by payment to the Company in 34.3 million shares of Intralot. On June 30, 2025, the Company also purchased 4.8 million additional shares of Intralot for €1.06 per share. Both of these transactions brought the Company's total investment in Intralot up to 33.34% of the outstanding shares of Intralot. The investment is accounted for as an equity method investment under the fair value option as the Company believes this best depicts the economics of the investment.

In 2024, the Company completed the sale of portions of its international interactive business in Asia and certain other international markets in its International Interactive reportable segment (the "Carved-Out Business") to a company (the "Buyer") formed by members of management of the Carved-Out Business. In connection with the disposition, the Company acquired penny warrants that represent a 19.99% fully diluted interest in the Buyer, for approximately \$1.9 million. The Company accounts for this interest as an equity method investment.

The Company also has other investments in unconsolidated subsidiaries, which are accounted for using equity method accounting. The Company records its share of net income or loss and changes in fair value for equity method investments accounted for under the fair value option within Other non-operating income (expense), net in the condensed consolidated statements of operations. Refer to Note 4 "Consolidated Financial Information" for further information.

Variable Interest Entities

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

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

Management has analyzed and concluded that a trust that was established in connection with the disposal of the Asia Interactive Business, is a VIE that will be consolidated based on the applicable criteria.

As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), consolidated VIEs had total assets of \$286.9 million and \$263.9 million, respectively, and total liabilities of \$33.4 million and \$27.9 million, respectively. Consolidated VIEs had total revenue of \$7.0 million and \$46.5 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively, and total revenue of \$11.9 million, \$3.7 million and \$108.4 million for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), respectively.

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

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Non-controlling interest

In the first quarter of 2025, Bally's Chicago, Inc., a consolidated subsidiary of the Company, successfully completed a private placement (the "Private Placement"), whereby shares of Class A-1, A-2, A-3 and A-4 were issued to third parties for total consideration of \$12.4 million, net of \$0.8 million of issuance costs. Based on the shares issued in the private placement the Company has a de minimus non-controlling interest in Bally's Chicago, Inc. as of June 30, 2025 (Successor). Net income attributable to non-controlling interest was de minimus for the three and six months ended June 30, 2025 (Successor).

The Star Entertainment Group Investment

On April 7, 2025, the Company entered into a Binding Term Sheet with The Star Entertainment Group Limited ("The Star"), an ASX-listed company, to invest up to A\$300.0 million in a multi-tranche issuance of convertible notes and subordinated debt (the "Investment"). On April 8, 2025, The Star announced a commitment from its largest shareholder, Investment Holdings Pty, to subscribe for A\$100.0 million of the Investment, reducing the Company's commitment to A\$200.0 million. On April 9, 2025, the Company funded A\$66.7 million, consisting of Tranche 1A convertible notes of A\$22.2 million (the "Convertible Notes") and subordinated debt with a principal amount of A\$44.4 million. Additionally, on May 23, 2025, the Company and The Star entered into a Subscription Agreement and a Subordination Deed Poll in favor of certain The Star's senior lenders.

Following shareholder approval obtained on June 25, 2025, the Company funded an additional principal amount of A\$66.7 million in subordinated debt on June 27, 2025 (together with the A\$44.4 million, the "Subordinated Notes"). As of June 30, 2025, the outstanding principal balance on the Subordinated Notes and Convertible Notes were A\$111.1 million and A\$22.2 million, respectively.

The remainder of the Company's A\$66.7 million commitment is expected to be funded upon regulatory approval of the Investment (the "Forward Obligation"). Separately, upon such approval, the Subordinated Notes will settle into the Convertible Notes on a cashless basis. Both the Convertible Notes and Subordinated Notes mature on July 2, 2029, and bear interest at an annual rate of 9%, paid in-kind and compounded quarterly. The Star may elect to settle accrued interest in cash or by issuing its ordinary shares. The Company can convert the principal amount of the Convertible Notes into ordinary shares of The Star at any time once regulatory approval has been received at a conversion price of A\$0.08 per share. The Company accounts for the instruments funded to date, along with the embedded derivatives associated with their conversion and redemption features, by utilizing the fair value option under ASC 825, *Financial Instruments*, as the Company believes this best depicts the economics of the investment. Refer to Note 12 "Fair Value Measurements" for further information.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents includes cash balances and highly liquid investments with an original maturity of three months or less. Restricted cash includes player deposits, payment service provider deposits, and VLT and table games related cash payables to certain states where we operate, which are unavailable for the Company's use.

Accounts Receivable, Net

Accounts receivable, net consists of the following:

	Successor	Predecessor
	June 30,	December 31,
<i>(in thousands)</i>	2025	2024
Amounts due from Rhode Island and Delaware ⁽¹⁾	\$ 15,289	\$ 14,135
Gaming receivables	20,754	20,700
Non-gaming receivables	60,425	27,803
Accounts receivable	96,468	62,638
Less: Allowance for credit losses	(6,513)	(7,152)
Accounts receivable, net	\$ 89,955	\$ 55,486

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

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Deferred Payables

In order to execute on its strategy of improving working capital efficiency, the Company will, from time to time, participate in trade finance or deferred payable initiatives, including programs that may securitize or accelerate liquidity realized from receivables, or alternatively extend trade terms with certain suppliers or vendors. In certain cases, where the Company is not able to extend payment terms directly with suppliers or vendors, the Company will consider deferred payable solutions that simulate such trade term extensions. These solutions generally involve entering into exchange agreements with intermediary institutions who will make payments to the supplier or vendor within the original terms on behalf of the Company, in exchange for a new bill with terms that conform to the Company's payment policy of net 90 days. The Company will then pay the new bill to the intermediary institutions, inclusive of any embedded premium, which the Company records as Interest expense, net, within three months or less. Amounts outstanding under these deferred payable arrangements were \$94.7 million and \$72.8 million as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), respectively, and are included in Accrued and other current liabilities on the condensed consolidated balance sheets.

For the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), the Company borrowed \$92.2 million and \$60.1 million, respectively under these deferred payable arrangements. For the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), the Company borrowed \$106.1 million, \$79.6 million and \$102.3 million, respectively, under these deferred payable arrangements. For the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), the Company repaid \$96.5 million and \$41.5 million, respectively. For the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor) the Company repaid \$101.5 million and \$68.5 million and \$41.5 million, respectively.

For the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), the Company incurred \$2.2 million and \$1.4 million, respectively, of interest expense under these arrangements. For the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), the Company incurred \$3.8 million, \$0.5 million and 2.2 million, respectively, of interest expense under these arrangements.

Gaming Expenses

Gaming expenses include, among other things, payroll costs and expenses associated with the operation of VLTs, slots and table games, including gaming taxes payable to jurisdictions in which the Company operates outside of Rhode Island and Delaware, and certain marketing costs directly associated with the Company's iGaming products and services. Gaming expenses also include racing expenses comprised of payroll costs, off track betting ("OTB") commissions and other expenses associated with the operation of live racing and simulcasting.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expenses, including production and agency fees of campaigns, for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor) was \$2.7 million and \$4.0 million, respectively. Advertising expenses, including production and agency fees of campaign, for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor) was \$4.1 million, \$0.9 million, and \$9.6 million respectively. The above advertising expenses are included in General and administrative on the condensed consolidated statements of operations. Additionally, the Company incurred certain advertising and marketing costs directly associated with the Company's iGaming products and services of \$31.5 million \$47.0 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively and \$49.6 million, \$12.6 million and \$93.2 million during the period from February 8, 2025 to June 30, 2025 (Successor), period from January 1, 2025 to February 7, 2025 (Predecessor), and the six months ended June 30, 2024 (Predecessor), respectively. These costs are included within Gaming expenses in the condensed consolidated statements of operations.

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Share-Based Compensation

The Company recognized total share-based compensation expense of \$2.4 million and \$4.5 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), and \$5.1 million, \$2.0 million and \$7.5 million for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), respectively. The total income tax benefit for share-based compensation arrangements was \$0.6 million and \$1.2 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), and \$1.3 million, \$0.5 million and \$2.0 million for the period from February 8, 2025 to June 30, 2025 (Successor) the period from January 1, 2025 to February 7, 2025 (Predecessor), and the six months ended June 30, 2024 (Predecessor), respectively.

Strategic Partnership - Sinclair Broadcast Group

In 2020, the Company and Sinclair Broadcast Group, Inc. ("Sinclair") entered into the Framework Agreement, providing for a long-term strategic relationship between Sinclair and the Company. Under the Framework Agreement, the Company issued to Sinclair warrants to purchase up to 4,915,726 shares of the Company at an exercise price of \$0.01 per share ("the Penny Warrants"), a warrant to purchase up to 3,279,337 shares of the Company at an exercise price of \$0.01 per share, subject to the achievement of various performance metrics (the "Performance Warrants"), and an option to purchase up to 1,639,669 additional shares, in four tranches with purchase prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning in November 2024 (the "Options"). Additionally, the Company is required to share 60% of the tax benefits it realizes from the Penny Warrants, Options, Performance Warrants and other related payments. Changes in the estimate of the tax benefit to be realized and tax rates in effect at the time, among other changes, was treated as an adjustment to the intangible asset.

In connection with the Queen merger, as of February 7, 2025, all outstanding Performance Warrants became immediately exercisable at a price of \$0.01 per share and the Options were returned to the Company in exchange for 384,536 penny warrants. The Performance Warrants were reclassified from liability to equity as of February 7, 2025. Refer to Note 12 "Fair Value Measurements" for more information.

Provision for Income Taxes

During the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), the Company recorded a provision for income tax of \$185.4 million and a benefit of \$1.5 million, respectively. For the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), the Company recorded a provision of \$88.3 million, \$0.7 million and \$29.9 million, respectively. The effective tax rate for three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor) was (431.3)% and 2.4%, respectively. The effective tax rate for the period from February 8, 2025 to June 30, 2025 (Successor), period from January 1, 2025 to February 7, 2025 (Predecessor), and the six months ended June 30, 2024 (Predecessor) was (83.7)%, (1.3)%, and (14.6)%, respectively.

As of June 30, 2025 (Successor), the Company projects an annual tax provision relative to its pre-tax loss in the US due to the valuation allowance on interest, and a tax provision internationally relative to its pre-tax income, which results in a combined (99.0)% annual effective tax rate, as the combined pre-tax income by jurisdiction is minimized.

3. RELATED PARTY TRANSACTIONS

The Company holds a warrant, representing a 19.99% fully diluted equity interest in the Carved-Out Business, which as a result is an unconsolidated entity accounted for under the equity method and is considered to be a related party under ASC 850, *Related Party Disclosures*.

Revenues generated from this equity method investee are included in Non-gaming revenue and were \$7.0 million, \$11.9 million and \$3.7 million for the three months ended June 30, 2025 (Successor), the period from February 8, 2025 to June 30, 2025 (Successor), and the period from January 1, 2025 to February 7, 2025 (Predecessor), respectively. There was no revenue generated from this equity method investee during the three and six months ended June 30, 2024 (Predecessor).

Receivables from this equity method investee are included in Accounts receivable, net and were \$3.7 million and \$1.1 million as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), respectively.

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

In connection with the disposal of the Carved-Out Business, the Company entered into a seven-year term loan with the Buyer for a principal amount of €30 million, subject to applicable interest. As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), the Company had a loan receivable of approximately \$33.2 million and \$31.2 million, respectively, included in Other assets within the condensed consolidated balance sheets. The Company recorded interest income of \$0.8 million, \$1.3 million and \$0.3 million, respectively, for the three months ended June 30, 2025 (Successor), the period from February 8, 2025 to June 30, 2025 (Successor) and the period from January 1, 2025 to February 7, 2025 (Predecessor), included within Interest expense, net in the condensed consolidated statements of operations.

4. CONSOLIDATED FINANCIAL INFORMATION

General and Administrative Expense

Amounts included in General and administrative were as follows:

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Advertising, general and administrative	\$ 274,413	\$ 414,829	\$ 100,969	\$ 232,222	\$ 456,423
Acquisition and integration	19,239	23,339	2,199	5,845	10,697
Merger costs	4,546	20,421	11,233	1,219	1,989
Restructuring charges, net	—	—	—	376	18,989
Impairment charges	—	—	—	12,757	12,757
Total general and administrative	<u>\$ 298,198</u>	<u>\$ 458,589</u>	<u>\$ 114,401</u>	<u>\$ 252,419</u>	<u>\$ 500,855</u>

Other Non-Operating (Expense) Income, Net

Amounts included in Other non-operating income (expense), net were as follows:

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Loss on extinguishment of debt	\$ —	\$ (17,372)	\$ —	\$ —	\$ —
Change in value of performance warrants	—	—	(1,180)	6,317	6,317
Gain on fair value of fair value option assets	60,723	66,267	—	—	—
Net income (loss) from equity method investments	601	1,464	(594)	234	789
Foreign exchange gain (loss)	(6,538)	(4,947)	194	983	3,799
Other, net	2,178	2,522	(785)	(604)	579
Total other non-operating income (expense), net	<u>\$ 56,964</u>	<u>\$ 47,934</u>	<u>\$ (2,365)</u>	<u>\$ 6,930</u>	<u>\$ 11,484</u>

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Interest Expense, Net

Amounts included in interest expense, net were as follows:

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Interest income	\$ 3,889	\$ 5,339	\$ (1)	\$ 6,226	\$ 11,021
Interest expense	(101,411)	(154,598)	(27,228)	(80,426)	(158,352)
Total interest expense, net	<u>\$ (97,522)</u>	<u>\$ (149,259)</u>	<u>\$ (27,229)</u>	<u>\$ (74,200)</u>	<u>\$ (147,331)</u>

5. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Standards to Be Implemented

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

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

In March 2024, the FASB issued ASU 2024-02, *Codification Improvements - Amendments to Remove References to the Concepts Statements*. This amendment to the Codification removes references to various Concepts Statements. This update will be effective for public business entities for fiscal years beginning after December 15, 2024, with early adoption permitted if adopted as of the beginning of the fiscal year that includes that interim period. The Company is currently in the process of evaluating the impact of this amendment on its condensed consolidated financial statements and related disclosures.

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In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The amendments in this update require disclosure of certain costs and expenses on an interim and annual basis in the notes to the financial statements. This update will be effective for fiscal years beginning after December 15, 2026, and interim reporting periods in fiscal years beginning after December 15, 2027, with early adoption permitted. The disclosures required under the guidance can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all periods presented in the financial statements. The Company is currently evaluating the impact that this guidance will have on its financial statement disclosures.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*. The amendments in this update revise the requirements for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a VIE that meets the definition of a business. The amendments require that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. The amendments in this update will be effective for fiscal years beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact that this guidance will have on its financial statements and related disclosures.

6. REVENUE RECOGNITION

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, which requires the revenue to be recognized when a performance obligation is satisfied by transferring the control of promised goods or services and is measured at the transaction price or the amount of consideration that the Company expects to receive through satisfaction of the identified performance obligations.

The Company generates revenue from four principal sources: (1) gaming (which includes retail gaming, online gaming, sports betting and racing), (2) hotel, (3) food and beverage and (4) retail, entertainment and other.

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

Gaming Revenue

Performance Obligations

Retail gaming service contracts involving our land-based casinos, each have an obligation to honor the outcome of a wager and to pay out an amount equal to the stated odds, including the return of the initial wager, if the customer receives a winning hand. These elements of honoring the outcome of the hand of play and generating a payout are considered one performance obligation, with an additional performance obligation for those customers earning incentives under the Company's player loyalty program.

Online gaming and sports betting represent a single performance obligation for the Company to operate contests or games and award prizes or payouts to users based on results of the arrangement. Additionally, the use of incentives across the online gaming products create future customer rights and are a separate performance obligation.

Racing revenue is earned through advance deposit wagering, which consists of patrons wagering through an advance deposit account. Each wagering contract contains a single performance obligation.

Transaction Price

The Company applies a practical expedient to account for its gaming contracts on a portfolio basis as such wagers have similar characteristics and the Company reasonably expects the impact on the consolidated financial statements of applying the revenue recognition guidance to the portfolio would not differ materially from the application of an individual wagering contract. The transaction price for a retail gaming, online gaming or sports betting wagering contract is the difference between wins and losses, not the total amount wagered. In addition, in the event of a multi-stage contest, the Company will allocate transaction price ratably from contest start to the contest's final stage.

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The transaction price for racing operations, inclusive of live racing events conducted at the Company's racing facilities, is the commission received from the pari-mutuel pool less contractual fees and obligations, primarily consisting of purse funding requirements, simulcasting fees, tote fees and certain pari-mutuel taxes that are directly related to the racing operations.

For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with incentives earned under loyalty programs, the Company allocates an amount to the loyalty program contract liability based on the stand-alone selling price of the incentive earned. The performance obligation related to loyalty program incentives are deferred and recognized as revenue upon redemption by the customer.

Revenue Recognition

The allocated revenue for retail gaming wagers is recognized when the wagering occurs as all such wagers settle immediately. Online gaming revenue is recognized at the point in time when the player completes a gaming session and payout occurs. Sports betting involves a player wagering money on an outcome or series of outcomes. If a player wins the wager, the Company pays the player a pre-determined amount known as fixed odds, and its revenue is recognized as total wagers net of payouts made and incentives awarded to players. Racing revenue includes several of our casinos and resorts' share of wagering from live racing and the import of simulcast signals, and is recognized upon completion of the wager based upon an established take-out percentage.

The estimated retail value related to goods and services provided to customers without charge or upon redemption under the Company's player loyalty programs included in departmental revenues, and therefore reducing gaming revenues, are as follows:

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Hotel	\$ 18,643	\$ 29,439	\$ 7,098	\$ 20,435	\$ 40,906
Food and beverage	18,258	29,317	7,559	20,302	40,515
Retail, entertainment and other	4,953	7,676	713	2,442	4,870
	<u>\$ 41,854</u>	<u>\$ 66,432</u>	<u>\$ 15,370</u>	<u>\$ 43,179</u>	<u>\$ 86,291</u>

Non-gaming Revenue

Performance Obligations

Hotel, food and beverage, and retail, entertainment and other services have been determined to be separate, stand-alone performance obligations and revenue is recognized as the good or service is transferred at the point in time of the transaction.

Transaction Price

The transaction price for hotel, food and beverage, and retail, entertainment and other, is the net amount collected from the customer for such goods and services. The estimated standalone selling price of hotel rooms is determined based on observable prices. The standalone selling price of these goods and services are determined based upon the actual retail prices charged to customers for those items.

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Revenue Recognition

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

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The following tables provide a disaggregation of revenue by segment (in thousands):

Three Months Ended June 30, 2025 (Successor)	Casinos & Resorts	International Interactive	North America Interactive	Corporate & Other	Total
Gaming	\$ 305,858	\$ 195,860	\$ 55,913	\$ —	\$ 557,631
Non-gaming:					
Hotel	33,714	—	—	—	33,714
Food and beverage	34,828	—	—	—	34,828
Licensing	—	7,046	—	—	7,046
Retail, entertainment and other	18,933	3,160	589	1,633	24,315
Total non-gaming revenue	87,475	10,206	589	1,633	99,903
Total revenue	\$ 393,333	\$ 206,066	\$ 56,502	\$ 1,633	\$ 657,534
Period from February 8, 2025 to June 30, 2025 (Successor)					
Gaming	\$ 484,392	\$ 303,596	\$ 83,422	\$ —	\$ 871,410
Non-gaming:					
Hotel	52,427	—	—	—	52,427
Food and beverage	55,082	—	—	—	55,082
Licensing	—	11,929	—	—	11,929
Retail, entertainment and other	28,283	3,291	637	3,169	35,380
Total non-gaming revenue	135,792	15,220	637	3,169	154,818
Total revenue	\$ 620,184	\$ 318,816	\$ 84,059	\$ 3,169	\$ 1,026,228
Period from January 1, 2025 to February 7, 2025 (Predecessor)					
Gaming	\$ 95,984	\$ 74,849	\$ 14,934	\$ —	\$ 185,767
Non-gaming:					
Hotel	11,006	—	—	—	11,006
Food and beverage	11,304	—	—	—	11,304
Licensing	—	3,720	—	—	3,720
Retail, entertainment and other	6,005	416	2,007	273	8,701
Total non-gaming revenue	28,315	4,136	2,007	273	34,731
Total revenue	\$ 124,299	\$ 78,985	\$ 16,941	\$ 273	\$ 220,498
Three Months Ended June 30, 2024 (Predecessor)					
Gaming	\$ 255,545	\$ 227,149	\$ 42,057	\$ —	\$ 524,751
Non-gaming:					
Hotel	35,264	—	—	—	35,264
Food and beverage	33,123	—	—	—	33,123
Retail, entertainment and other	19,119	2,247	4,443	2,710	28,519
Total non-gaming revenue	87,506	2,247	4,443	2,710	96,906
Total revenue	\$ 343,051	\$ 229,396	\$ 46,500	\$ 2,710	\$ 621,657
Six Months Ended June 30, 2024 (Predecessor)					
Gaming	\$ 505,963	\$ 458,416	\$ 76,429	\$ —	\$ 1,040,808
Non-gaming:					
Hotel	76,354	—	—	—	76,354
Food and beverage	68,075	—	—	—	68,075
Retail, entertainment and other	34,988	5,663	9,638	4,613	54,902
Total non-gaming revenue	179,417	5,663	9,638	4,613	199,331
Total revenue	\$ 685,380	\$ 464,079	\$ 86,067	\$ 4,613	\$ 1,240,139

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Contract Assets and Contract Related Liabilities

The Company's receivables related to contracts with customers are primarily comprised of marker balances, interactive platform business-to-business service receivables, other amounts due from gaming activities, amounts due for hotel stays and amounts due from tracks and OTB locations. The Company's receivables related to contracts with customers were \$41.2 million and \$41.3 million as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), respectively.

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

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

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

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

Liabilities related to contracts with customers as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor) were as follows:

	Successor	Predecessor
	June 30,	December 31,
	2025	2024
<i>(in thousands)</i>		
Unpaid wagers	\$ 36,322	\$ 32,992
Advanced deposits from customers	29,489	26,141
Loyalty programs	10,159	12,167
Total	<u>\$ 75,970</u>	<u>\$ 71,300</u>

The Company recognized \$5.3 million and \$7.8 million for three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively, of revenue related to loyalty program redemptions. The Company recognized \$8.5 million, \$2.2 million and \$15.5 million, respectively, of revenue related to loyalty program redemptions for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor).

7. BUSINESS COMBINATIONS

Merger with Queen Casino & Entertainment, Inc.

The Merger between the Company and Queen was accounted for as a transaction between entities under common control in accordance with ASC Topic 805, Business Combinations ("ASC 805"), in which the accounting acquirer (Parent and its affiliates) obtained control of the Company. As described in Note 2, "Summary of Significant Accounting Policies", the Company has elected to push down its Parent's basis in its net assets into its financial statements, and as a result, the net assets of the Predecessor were measured and recognized at their fair values as of the acquisition date and were combined with those of Queen at Queen's historical carrying amounts and are presented on a combined basis. The following disclosures relate to the Company's election to apply push down and show the effect of the change in control.

The fair value of the Merger consideration was \$955.6 million, which represents 52,364,192 total shares outstanding prior to the Merger multiplied by the Merger value of \$18.25 per share. Immediately following the transaction, the Company repurchased 22,804,384 shares at a price of \$18.25 for total a total repurchase price of \$416.2 million.

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The preliminary allocation of the purchase price is as follows:

<i>(in thousands)</i>	As of February 7, 2025		
	Preliminary as of February 7, 2025	Year to Date Adjustments	Preliminary as of June 30, 2025
Cash and cash equivalents	\$ 173,550	\$ —	\$ 173,550
Restricted cash	57,352	—	57,352
Other current assets	210,447	—	210,447
Property and equipment	1,065,486	(4,745)	1,060,741
Right of use assets	1,692,346	17,215	1,709,561
Goodwill	1,555,354	9,131	1,564,485
Intangible assets	1,866,963	(7,542)	1,859,421
Other assets	131,457	—	131,457
Total current liabilities	(548,702)	—	(548,702)
Lease liabilities	(1,823,153)	(17,215)	(1,840,368)
Long-term debt	(2,914,688)	—	(2,914,688)
Other long-term liabilities	(510,765)	3,156	(507,609)
Net assets acquired	<u>\$ 955,647</u>	<u>\$ —</u>	<u>\$ 955,647</u>

The purchase consideration has been allocated to the tangible and identifiable intangible assets and liabilities based upon their estimated fair values as of the acquisition date, with the excess of the purchase consideration over the aggregate net fair values recorded as goodwill, which is not deductible for tax purposes. Accounts receivable, other assets, current liabilities and inventories were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for property and equipment and owned real property was based on an assessment of the assets' condition as well as an evaluation of the current market value of such assets. The fair value of leasehold interests were estimated based on evaluating contractual rent payments relative to market rent giving consideration to the Company's capitalization rates and rent coverage ratios, under the income method or by estimating the fee simple value and estimated rate of return, depending on the nature of the underlying leasehold interest. In connection with the remeasuring the Company's lease liabilities, unfavorable off-market components of \$130.8 million were recognized as a decrease to the Company's right of use assets, and will be amortized as a reduction of lease expense on a straight line basis over the remaining lease term.

The Company recorded intangible assets based on estimates of fair value which consisted of the following:

	Valuation Approach	Estimated Useful Life (in years)	Estimated Fair Value
Gaming licenses	Greenfield Method	16	\$ 759,041
Customer relationships	Multi-period Excess earnings method	4	349,980
Developed technology	Relief from royalty method	5	253,200
Trade names	Relief from royalty method	12	74,700
Intellectual property license	Relief from royalty method	7	141,000
Indefinite lived trade names	Relief from royalty method	Indefinite	281,500
Total fair value of intangible assets			<u>\$ 1,859,421</u>

The valuation of intangible assets was determined using income approach methodologies including the greenfield method, multi-period excess earnings method and the relief from royalty method. Level 3 inputs used in estimating future cash flows included terminal growth rates of 3%, royalty rates between 2% and 19%, discount rates between 11% and 15%, operating cash flows, estimated construction costs, and pre-opening expenses, among others. The projected future cash flows are discounted to present value using an appropriate discount rate.

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The estimated fair values were based on assumptions that the Company believes are reasonable. As of June 30, 2025 (Successor), the Company is in the process of completing its valuation of tangible and intangible assets and the allocation of the purchase price to the assets acquired and liabilities assumed, including the allocation of goodwill to reporting units, which will be completed once the valuation process has been finalized.

The Company incurred \$4.5 million and \$1.2 million of transaction related expenses for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively. The Company incurred \$20.4 million, \$11.2 million and \$2.0 million of transaction-related expenses for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor), and the six months ended June 30, 2024 (Predecessor), respectively. Transaction-related expenses were incurred in connection with the Merger and are primarily related to legal and professional fees, which have been included in General and administrative in the condensed consolidated statements of operations.

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), prepaid expenses and other current assets was comprised of the following:

	Successor	Predecessor
	June 30,	December 31,
<i>(in thousands)</i>	2025	2024
Services and license agreements	\$ 54,319	\$ 43,141
Short term notes receivable	19,811	17,342
Sales tax	17,807	18,988
Prepaid marketing	12,164	11,952
Prepaid insurance	11,366	3,341
Short term derivative assets	11,561	5,359
Other	4,930	15,348
Total prepaid expenses and other current assets	<u>\$ 131,958</u>	<u>\$ 115,471</u>

9. PROPERTY AND EQUIPMENT

As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), property and equipment was comprised of the following:

	Successor	Predecessor
	June 30,	December 31,
<i>(in thousands)</i>	2025	2024
Land and improvements	\$ 96,237	\$ 49,553
Building and improvements	639,225	370,086
Equipment	94,024	280,946
Furniture and fixtures	140,171	64,109
Construction in process	296,188	149,906
Total property, plant and equipment	<u>1,265,845</u>	<u>914,600</u>
Less: Accumulated depreciation	<u>(49,675)</u>	<u>(283,898)</u>
Property and equipment, net	<u>\$ 1,216,170</u>	<u>\$ 630,702</u>

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Depreciation expense relating to property and equipment was \$13.0 million and \$19.8 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively. Depreciation expense related to property and equipment was \$27.5 million, \$7.6 million and \$119.3 million for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), respectively. Depreciation expense during the six months ended June 30, 2024 (Predecessor) included \$80.1 million of accelerated depreciation related to the closure of the Tropicana Las Vegas property on April 2, 2024. Refer to Note 14 "Restructuring Expense" for further information. The Company recorded capitalized interest of \$3.1 million and \$2.1 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively. The Company recorded capitalized interest of \$4.8 million, \$0.8 million and \$3.9 million during the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), respectively.

10. GOODWILL AND INTANGIBLE ASSETS

The change in carrying value of goodwill by reportable segment for the six months ended June 30, 2025 (Successor) is as follows (in thousands):

	Casinos & Resorts	International Interactive	North America Interactive	Corporate & Other	Total
Goodwill as of December 31, 2024 (Predecessor) ⁽¹⁾	\$ 313,285	\$ 1,451,273	\$ 35,386	\$ —	\$ 1,799,944
Effect of foreign exchange	—	(11,268)	—	—	(11,268)
Goodwill as of February 7, 2025 (Predecessor) ⁽¹⁾	313,285	1,440,005	35,386	—	1,788,676
Goodwill as of February 8, 2025 (Successor)	612,191	716,260	56,845	205,352	1,590,648
Current year measurement period adjustments	(73)	5,400	324	3,480	9,131
Goodwill measurement period segment re-allocation	(253,874)	387,070	(47,567)	(85,629)	—
Effect of foreign exchange	—	120,554	—	—	120,554
Goodwill as of June 30, 2025 (Successor)	<u>\$ 358,244</u>	<u>\$ 1,229,284</u>	<u>\$ 9,602</u>	<u>\$ 123,203</u>	<u>\$ 1,720,333</u>

(1) Amounts are shown net of accumulated goodwill impairment charges of \$5.4 million, \$71.6 million and \$140.4 million for Casinos & Resorts, International Interactive and North America Interactive, respectively.

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The change in intangible assets, net for the six months ended June 30, 2025 (Successor) is as follows (in thousands):

Intangible assets, net as of December 31, 2024 (Predecessor)	\$ 1,307,343
Effect of foreign exchange	(3,662)
Capitalized software	3,054
Less: Amortization of intangible assets	(14,765)
Intangible assets, net as of February 07, 2025 (Predecessor)	\$ 1,291,970
Intangible assets, net as of February 08, 2025 (Successor)	\$ 1,941,245
Measurement period adjustments	(7,542)
Additions in current period	3,282
Effect of foreign exchange	80,003
Capitalized software	15,525
Less: Amortization of intangible assets	(91,702)
Intangible assets, net as of June 30, 2025 (Successor)	\$ 1,940,811

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

	Successor		
	June 30, 2025		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net
Amortizable intangible assets:			
Trade names	\$ 84,282	\$ (4,103)	\$ 80,179
Customer relationships	381,038	(40,664)	340,374
Developed technology	280,363	(21,968)	258,395
Internally developed software	15,524	(1,329)	14,195
Gaming licenses	753,854	(19,928)	733,926
Licensing asset	159,224	(8,912)	150,312
Other	25,385	(4,556)	20,829
Total amortizable intangible assets	1,699,670	(101,460)	1,598,210
Intangible assets not subject to amortization:			
Gaming licenses	61,101	—	61,101
Trade names	281,500	—	281,500
Total unamortizable intangible assets	342,601	—	342,601
Total intangible assets, net	\$ 2,042,271	\$ (101,460)	\$ 1,940,811

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	Predecessor		
	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net
<i>(in thousands)</i>			
Amortizable intangible assets:			
Trade names	\$ 31,723	\$ (18,032)	\$ 13,691
Hard Rock license	8,000	(2,545)	5,455
Customer relationships	660,005	(272,333)	387,672
Developed technology	210,712	(70,073)	140,639
Internally developed software	105,284	(26,791)	78,493
Gaming licenses	47,797	(19,864)	27,933
Other	11,473	(4,918)	6,555
Total amortizable intangible assets	1,074,994	(414,556)	660,438
Intangible assets not subject to amortization:			
Gaming licenses	546,908	—	546,908
Trade names	98,784	—	98,784
Other	1,213	—	1,213
Total unamortizable intangible assets	646,905	—	646,905
Total intangible assets, net	\$ 1,721,899	\$ (414,556)	\$ 1,307,343

Amortization of intangible assets was approximately \$58.8 million and \$59.0 million for the three months ended June 30, 2025 (Successor) and June 30, 2024 (Predecessor), respectively. Amortization of intangible assets was approximately \$91.7 million, \$14.8 million and \$119.2 million for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), respectively.

The following table reflects the remaining amortization expense associated with the finite-lived intangible assets as of June 30, 2025 (Successor):

<i>(in thousands)</i>	
Remaining 2025	\$ 120,693
2026	240,690
2027	240,034
2028	219,671
2029	146,781
Thereafter	630,341
Total	\$ 1,598,210

11. DERIVATIVE INSTRUMENTS

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

The Company has entered into a series of interest rate contracts and cross currency swap derivative transactions with multiple bank counterparties in order to synthetically convert a notional aggregate amount of \$500.0 million of the Company's USD denominated variable rate Term Loan Facility, as disclosed in Note 15 "Long-Term Debt," into fixed rate debt over five years and \$200 million of the Term Loan Facility, to an equivalent GBP denominated floating rate instrument over three years. These contracts mature in October, 2028 and 2026, respectively.

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Additionally, the Company has entered into a series of interest rate contracts in a notional aggregate amount of \$1.00 billion, to further manage the Company's exposure to interest rate movements associated with the Company's variable rate Term Loan Facility through its synthetic conversion to fixed rate debt. The tenor of these contracts were matched with the maturity of the Term Loan Facility tranche maturing on October 1, 2028.

Cross Currency Swaps

Net Investment Hedges - The Company is exposed to fluctuations in foreign exchange rates on investments it holds in its European foreign entities. The Company uses fixed and fixed-cross-currency swaps to hedge its exposure to changes in the foreign exchange rate on its foreign investment in Europe and their exposure to changes in the EUR-GBP exchange rate. Currency forward agreements involve fixing the USD-EUR exchange rate for delivery of a specified amount of foreign currency on a specified date. The currency forward agreements are typically cash settled in USD for their fair value at or close to their settlement date. Cross-currency swaps involve the receipt of functional-currency-fixed-rate amounts from a counterparty in exchange for the Company making foreign-currency-fixed-rate payments over the life of the agreement. These derivative arrangements qualify as net investment hedges under ASC 815, *Derivatives and Hedging*, with the gain or loss resulting from changes in the spot value of the derivative reported in other comprehensive income (loss). Amounts are reclassified out of other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated. Additionally, the accrual of foreign currency and USD denominated coupons will be recognized in Interest expense, net in the condensed consolidated statements of operations. Refer to Note 12 "Fair Value Measurements" and Note 17 "Stockholders' Equity" for further information.

Economic Hedges - During the fourth quarter of 2024, the Company dedesignated its EUR-GBP cross currency swaps as net investment hedges and began recording changes in fair value of the derivative and the accrual of foreign currency and USD denominated coupons through earnings reported in Other non-operating income (expense), net in the consolidated statements of operations.

The following tables summarize the Company's cross currency swap arrangements as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor) (in thousands):

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

Cash Flow Hedges

Interest Rate Contracts - The Company's objectives in using interest rate derivatives are to hedge its exposure to variability in cash flows on a portion of its floating-rate debt, to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and collars as part of its financial risk and liability management policy. The Company's interest rate swaps and collars are designated as cash flow hedges under ASC 815. The changes in the fair value of these instruments are recorded as a component of accumulated other comprehensive income (loss) and reclassified into "Interest expense, net" in the condensed consolidated statements of operations in the same period in which the hedged interest payments associated with the Company's borrowings are recorded. Refer to Note 12 "Fair Value Measurements" and Note 17 "Stockholders' Equity" for further information.

The following table summarizes the Company's cash flow hedges as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor) (in thousands):

Cash Flow Hedges	Index	Successor June 30, 2025	Predecessor December 31, 2024
		Notional Amount	Notional Amount
Interest rate contracts - swaps	US - SOFR	\$ 1,500,000	\$ 1,500,000

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12. FAIR VALUE MEASUREMENTS

The following tables summarize the Company's assets and liabilities measured at fair value on a recurring basis. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement:

		Successor June 30, 2025		
(in thousands)	Balance Sheet Location	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	Cash and cash equivalents	\$ 174,567	\$ —	\$ —
Restricted cash	Restricted cash	66,336	—	—
Fair value option equity method investments	Other assets	275,381	—	—
Investment in GLPI partnership	Other assets	—	19,790	—
<u>The Star Investment - fair value option:</u>				
Subordinated Notes	Other assets	—	—	84,978
Convertible Notes	Other assets	—	—	17,153
Forward Obligation ⁽¹⁾	Prepaid expenses and other current assets	—	—	6,901
<u>Derivative assets not designated as hedging instruments:</u>				
Cross currency swaps	Prepaid expenses and other current assets	—	4,577	—
<u>Derivative assets designated as hedging instruments:</u>				
Interest rate contracts	Prepaid expenses and other current assets	—	83	—
Total derivative assets at fair value		—	4,660	6,901
Total assets		\$ 516,284	\$ 24,450	\$ 109,032
Liabilities:				
Contingent consideration	Accrued and other current liabilities	\$ —	\$ —	\$ 54,336
Contingent consideration	Other long-term liabilities	—	—	8,048
<u>Derivative liabilities not designated as hedging instruments:</u>				
Cross Currency Swaps	Other long-term liabilities	—	20,736	—
<u>Derivative liabilities designated as hedging instruments:</u>				
Interest rate contracts	Accrued and other current liabilities	—	3,931	—
Interest rate contracts	Other long-term liabilities	—	37,753	—
Cross currency swaps	Accrued and other current liabilities	—	4,366	—
Cross currency swaps	Other long-term liabilities	—	51,868	—
Total derivative liabilities at fair value		—	118,654	—
Total liabilities		\$ —	\$ 118,654	\$ 62,384

(1) The Forward Obligation is considered a derivative instrument not designated as hedging.

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		Predecessor December 31, 2024		
(in thousands)	Balance Sheet Location	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	Cash and cash equivalents	\$ 171,233	\$ —	\$ —
Restricted cash	Restricted cash	60,021	—	—
Investment in GLPI partnership	Other assets	—	20,418	—
<u>Derivative assets not designated as hedging instruments</u>				
Cross currency swaps	Prepaid expenses and other current assets	—	4,871	—
Cross currency swaps	Other assets	—	615	—
<u>Derivative assets designated as hedging instruments:</u>				
Interest rate contracts	Prepaid expenses and other current assets	—	340	—
Interest rate contracts	Other assets	—	336	—
Cross currency swaps	Prepaid expenses and other current assets	—	148	—
Cross currency swaps	Other assets	—	13,181	—
Total derivative assets at fair value		—	19,491	—
Total assets		\$ 231,254	\$ 39,909	\$ —
Liabilities:				
Contingent consideration	Other long-term liabilities	\$ —	\$ —	\$ 59,923
<u>Derivatives not designated as hedging instruments</u>				
Sinclair Performance Warrants	Other long-term liabilities	—	—	58,668
Cross currency swaps	Other long-term liabilities	—	11,174	—
<u>Derivative liabilities designated as hedging instruments:</u>				
Interest rate contracts	Accrued and other current liabilities	—	1,855	—
Interest rate contracts	Other long-term liabilities	—	13,372	—
Cross currency swaps	Accrued and other current liabilities	—	1,189	—
Cross currency swaps	Other long-term liabilities	—	1,624	—
Total derivative liabilities at fair value		—	29,214	58,668
Total liabilities		\$ —	\$ 29,214	\$ 118,591

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

BALLY'S CORPORATION
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<i>(in thousands)</i>	Sinclair Performance Warrants	Contingent Consideration	Fair value option loans receivable		
			Subordinated Notes	Convertible Notes	Forward Obligation
Beginning as of December 31, 2024 (Predecessor)	\$ 58,668	\$ 59,923	\$ —	\$ —	\$ —
Change in fair value	1,180	786	—	—	—
Ending as of February 7, 2025 (Predecessor)	\$ 59,848	\$ 60,709	\$ —	\$ —	\$ —
Beginning as of February 8, 2025 (Successor)	\$ —	\$ 60,709	\$ —	\$ —	\$ —
Change in fair value	—	—	—	—	—
Ending as of March 31, 2025 (Successor)	—	60,709	—	—	—
Additions in the period (acquisition fair value)	—	—	70,291	13,429	—
Change in fair value	—	1,675	11,655	2,485	6,728
Effect of foreign exchange	—	—	3,032	1,239	173
Ending as of June 30, 2025 (Successor)	\$ —	\$ 62,384	\$ 84,978	\$ 17,153	\$ 6,901

<i>(in thousands)</i>	Sinclair Performance Warrants	Contingent Consideration
Beginning as of December 31, 2023 (Predecessor)	\$ 44,703	\$ 58,580
Change in fair value	—	(1,835)
Ending as of March 31, 2024 (Predecessor)	\$ 44,703	\$ 56,745
Change in fair value	(6,317)	1,040
Ending as of June 30, 2024 (Predecessor)	\$ 38,386	\$ 57,785

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The gains (losses) recognized in the condensed consolidated statements of operations for derivative instruments were as follows:

		Successor		Predecessor		
		Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>	Condensed Consolidated Statements of Operations Location					
<u>Derivatives not designated as hedging instruments</u>						
Sinclair Performance Warrants	Other non-operating income (expense), net	\$ —	\$ —	\$ (1,180)	\$ 6,317	\$ 6,317
Cross Currency Swaps	Other non-operating income (expense), net	6,602	6,823	50	—	—
<u>Derivatives designated as hedging instruments</u>						
Interest rate contracts	Interest expense, net	\$ 898	\$ 1,383	\$ (105)	(2,809)	(5,695)
Cross currency swaps	Interest expense, net	1,036	1,405	7	(1,325)	(2,536)

Interest Rate Contracts and Cross Currency Swaps

The fair values of interest rate contracts and cross currency swap assets and liabilities are classified within Level 2 of the fair value hierarchy as the valuation inputs are based on estimates using currency spot and forward rates and standard pricing models that consider the value of future cash flows as of the balance sheet date, discounted to a present value using discount factors that match both the time to maturity and currency of the underlying instruments. These standard pricing models utilize inputs that are derived from or corroborated by observable market data such as interest rate yield curves as well as currency spot and forward rates. When designated as hedging instruments, changes in the fair value of these contracts are reported as a component of other comprehensive income (loss). When not designated as hedging instruments, changes in fair value of these contracts are reported within Other non-operating income (expense), net in the consolidated statements of operations.

Sinclair Performance Warrants

Sinclair Performance Warrants were accounted for as a derivative instrument classified as a liability within Level 3 of the hierarchy through February 7, 2024 (predecessor) as the warrants are not traded in active markets and are subject to certain assumptions and estimates made by management related to the probability of meeting performance milestones. These assumptions and the probability of meeting performance targets may have a significant impact on the value of the warrant. The Performance Warrants were valued using an option pricing model, considering the Company's estimated probabilities of achieving the performance milestones for each tranche. Inputs to this valuation approach include volatility between 40% and 67%, risk free rates between 3.84% and 4.79%, the Company's common stock price for each period and expected terms between 1.5 and 6.3 years. In connection with the Queen merger, as of February 7, 2025, all outstanding Performance Warrants became immediately exercisable at a price of \$0.01 per share and were reclassified out of liabilities and into equity and are no longer measured at fair value. The fair value is recorded within Other long-term liabilities of the condensed consolidated balance sheets as of December 31, 2024 (predecessor).

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Contingent Consideration

Contingent consideration related to acquisitions is recorded at fair value as a liability on the acquisition date and subsequently remeasured at each reporting date, based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The remeasurements are based primarily on the expected probability of achievement of the contingency targets which are subject to management's estimates. These changes in fair value are recognized within "Other non-operating income (expense), net" of the condensed consolidated statements of operations.

In connection with the acquisition of Bally's Golf Links on September 12, 2023, the Company recorded contingent consideration, which had a total fair value of \$62.4 million as of June 30, 2025 (Successor). The amount included in purchase consideration is the fair value, under GAAP, of expected cash payments totaling up to \$125 million to the seller, based upon future events, which are uncertain. The contingent consideration was recorded at fair value, using discounted cash flow analyses with level 3 inputs, and is remeasured quarterly, with fair value adjustments recognized in earnings, until the contingencies are resolved. Inputs to this valuation approach include the Company's estimated probabilities of achieving the conditions for payment, expected terms between 0.8 and 1.3 Years, and discount rates of 6.6%. The settlement of the contingent consideration liabilities will be due to the seller in the event the license agreement is extended or if the Company is successful in its bid for a casino license.

Fair Value Option Equity Method Investment

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

Investment in GLPI Partnership

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

The Star Investment - Fair Value Option

As described in Note 2 "Summary of Significant Accounting Policies", during the three months ended June 30, 2025 (Successor), the Company invested A\$22.2 million of Convertible Notes and A\$111.1 million of Subordinated Notes in The Star. These investments are accounted for as debt securities under ASC 320, *Investments - Debt Securities*, for which the Company has elected the fair value option allowed by ASC 825. Under the fair value option, the investment is remeasured at fair value at each reporting period, with changes in fair value included within Other non-operating income (expense), net. For the period ended June 30, 2025 (Successor), the Company recognized \$0.9 million of interest income from the Star Investment, which it has elected to present as part of the total change in fair value. The company measures fair value using binomial lattice model as well as discounted cash flow model, classified within Level 3 of the hierarchy. Inputs to the valuation approach include the stock price and credit rating of The Star, volatility of 40%, recovery rate of 10%, risk free rate of 3.3%, and the Company's estimate of the probability of default.

Long-Term Debt

The fair value of the Company's Term Loan Facility and senior notes are estimated based on quoted prices in active markets and are classified as Level 1 measurements. The fair value of the Revolving Credit Facility approximates its carrying amount as it is revolving, variable rate debt, and is also classified as a Level 1 measurement. In the table below, the carrying amounts of the Company's long-term debt are net of debt issuance costs and debt discounts. Refer to Note 15 "Long-Term Debt" for further information.

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	Successor		Predecessor	
	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<i>(in thousands)</i>				
Term Loan Facility	\$ 1,782,446	\$ 1,671,855	\$ 1,858,800	\$ 1,792,804
11.00% Senior Secured Notes due 2028	480,544	500,390	—	—
5.625% Senior Notes due 2029	563,179	430,313	738,517	587,813
5.875% Senior Notes due 2031	505,000	403,331	721,456	535,631

13. ACCRUED AND OTHER CURRENT LIABILITIES

As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), accrued and other current liabilities consisted of the following:

	Successor	Predecessor
	June 30, 2025	December 31, 2024
<i>(in thousands)</i>		
Gaming liabilities	\$ 186,908	\$ 187,233
Interest payable	72,999	60,792
Compensation	68,772	66,356
Contingent consideration	54,336	—
Professional services	47,861	19,343
Construction accruals	22,196	2,144
Insurance reserves	22,603	23,898
Property taxes	16,660	8,502
Other	176,915	113,024
Total accrued and other current liabilities	\$ 669,250	\$ 481,292

14. RESTRUCTURING EXPENSE

On January 18, 2023, the Company announced a restructuring plan of the Interactive business intended to reduce operating costs and continue the Company's commitment to achieving profitable operations in its North America Interactive segment which included a reduction of the Company's then current Interactive workforce by up to 15 percent. In furtherance of and as an expansion of the January 2023 restructuring plan, on October 20, 2023, the Company announced further restructuring initiatives targeted at reshaping the technology utilized by its Interactive segments.

On January 29, 2024, the Company announced that it will cease its operations at the Tropicana Las Vegas on April 2, 2024 in order to redevelop the site with a state-of-the-art integrated resort and ballpark. As a result of the closure, the Company incurred restructuring charges representing employee-related severance costs and accelerated depreciation of certain property and equipment.

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The components of restructuring charges by segment for the three and six month ended June 30, 2024 (Predecessor) are summarized as follows (in thousands):

	Predecessor	
	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Severance and employee related benefits ⁽¹⁾		
Casinos & Resorts	\$ 348	\$ 20,003
International Interactive	3	55
North America Interactive	—	(1,479)
Corporate & Other	25	410
Total severance and employee related benefits	376	18,989
Accelerated depreciation expense ⁽²⁾	—	80,117
Total restructuring charges	<u>\$ 376</u>	<u>99,106</u>

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

(2) Included within "Depreciation and amortization" of the Casinos & Resorts reportable segment within the condensed consolidated statements of operations.

The was no restructuring liability as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor) on the condensed consolidated balance sheets.

15. LONG-TERM DEBT

As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), long-term debt consisted of the following:

	Successor	Predecessor
	June 30, 2025	December 31, 2024
<i>(in thousands)</i>		
Term Loan Facility ⁽¹⁾	\$ 1,876,925	\$ 1,886,650
Revolving Credit Facility	250,000	—
11.00% Senior Secured Notes due 2028	500,000	—
5.625% Senior Notes due 2029	750,000	750,000
5.875% Senior Notes due 2031	735,000	735,000
Less: Unamortized original issue discount	(13,685)	(19,760)
Less: Unamortized deferred financing fees	(5,771)	(33,117)
Less: Unamortized fair value adjustment ⁽²⁾	(511,300)	—
Long-term debt, including current portion	3,581,169	3,318,773
Less: Current portion of Term Loan and Revolving Credit Facility	(19,450)	(19,450)
Long-term debt, net of discount, deferred financing fees and fair value adjustment, excluding current portion	<u>\$ 3,561,719</u>	<u>\$ 3,299,323</u>

(1) The Company has a series of interest rate derivatives to synthetically convert \$1.0 billion notional of the Company's variable rate Term Loan Facility into fixed rate debt, and a series of cross currency swap derivatives to synthetically convert \$500.0 million and \$200.0 million notional of the Company's USD denominated Term Loan Facility into fixed rate EUR and GBP denominated debt, respectively, through its maturity in 2028. Refer to Note 11 "Derivative Instruments" for further information.

(2) Represents adjustment to recognize the Company's existing debt at fair value in the Company Merger, calculated as the difference between the fair value of the Company's term loan facility and unsecured notes, estimated based on quoted prices in active markets as of the Closing Date, and the respective ending principal balances as of February 7, 2025. The adjustment is amortized through Interest Expense, Net using the effective interest method.

BALLY'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

2028 Notes

In connection with the closing of the Merger on February 7, 2025, the Company entered into a note purchase agreement and issued \$500.0 million in aggregate principal amount of first lien senior secured notes due 2028 (the "2028 Notes") at an annual interest rate of 11%, payable in cash quarterly in arrears, beginning on April 1, 2025. The 2028 Notes were issued by the Company and certain of its restricted subsidiaries that guarantee the Company's obligations under its Credit Agreement as guarantors, Alter Domus (US) LLC as the note agent and collateral agent, and the purchasers party thereto. The 2028 Notes mature on October 2, 2028. The 2028 Notes are guaranteed by the Company's restricted subsidiaries, subject to certain exceptions, and secured by a first-priority lien on substantially all of the Company's and each of the guarantors' assets, subject to certain exceptions.

The note purchase agreement includes mandatory redemption offer provisions that require the Company to make an offer to redeem the 2028 Notes upon certain events, include with the proceeds of certain asset sales and casualty events, certain unpermitted debt issuances and a percentage of the Company's and its restricted subsidiaries' annual excess cash flow. The Company may also voluntarily redeem some or all of the 2028 Notes. Voluntary and mandatory redemptions of the 2028 Notes on or prior to the first anniversary of the issuance date are subject to a customary "make-whole" premium. Voluntary and mandatory repayments or redemptions of the 2028 Notes after the first anniversary of the issuance date but on or prior to the second anniversary are subject to a prepayment premium of 5.50% of the principal amount of notes so repaid or redeemed. Voluntary and mandatory repayments or redemptions of the 2028 Notes after the second anniversary are not subject to any prepayment or similar premium and may be made at par.

The note purchase agreement contains covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, (1) incur additional indebtedness, (2) pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments, (3) enter into certain transactions with affiliates, (4) sell or otherwise dispose of assets, (5) create or incur liens, and (6) merge, consolidate, or sell all or substantially all of the Company's assets. These covenants are subject to exceptions and qualifications set forth in the note purchase agreement. As of June 30, 2025 (Successor), the Company was in compliance with all such covenants.

In connection with the Merger, the Company settled the pre-existing debt of Queen and recorded a loss on extinguishment of debt of \$17.4 million, recorded within Other non-operating income (expense), net in the condensed consolidated statements of operations for the period from February 8, 2025 to June 30, 2025 (Successor).

Unsecured Notes

On August 20, 2021, two unrestricted subsidiaries (together, the "Escrow Issuers") of the Company issued \$750.0 million aggregate principal amount of 5.625% senior notes due 2029 (the "2029 Notes") and \$750.0 million aggregate principal amount of 5.875% Senior Notes due 2031 (the "2031 Notes" and, together with the 2029 Notes, the "Senior Notes"). The Senior Notes were issued pursuant to an indenture, dated as of August 20, 2021, among the Escrow Issuers and U.S. Bank National Association, as trustee. Certain of the net proceeds from the Senior Notes offering were placed in escrow accounts for use in connection with the Gamesys acquisition. On October 1, 2021, upon the closing of the Gamesys acquisition, the Company assumed the issuer obligation under the Senior Notes. The Senior Notes are guaranteed, jointly and severally, by each of the Company's restricted subsidiaries that guarantees the Company's obligations under its Credit Agreement (as defined below).

The 2029 Notes mature on September 1, 2029 and the 2031 Notes mature on September 1, 2031. Interest is payable on the Senior Notes in cash semi-annually on March 1 and September 1 of each year, beginning on March 1, 2022.

The Company may redeem some or all of the Senior Notes at any time prior to September 1, 2024, in the case of the 2029 Notes, and September 1, 2026, in the case of the 2031 Notes, at prices equal to 100% of the principal amount of the Senior Notes to be redeemed plus certain "make-whole" premiums, plus accrued and unpaid interest. In addition, prior to September 1, 2024, the Company may redeem up to 40% of the original principal amount of each series of the Senior Notes with proceeds of certain equity offerings at a redemption price equal to 105.625% of the principal amount, in the case of the 2029 Notes, and 105.875%, in the case of the 2031 Notes, plus accrued and unpaid interest. The Company may redeem some or all of the Senior Notes at any time on or after September 1, 2024, in the case of the 2029 Notes, and September 1, 2026, in the case of the 2031 Notes, at certain redemption prices set forth in the indenture plus accrued and unpaid interest.

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The indenture contains covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, (1) incur additional indebtedness, (2) pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments, (3) enter into certain transactions with affiliates, (4) sell or otherwise dispose of assets, (5) create or incur liens and (6) merge, consolidate or sell all or substantially all of the Company's assets. These covenants are subject to exceptions and qualifications set forth in the indenture.

Credit Facility

On October 1, 2021, the Company and certain of its subsidiaries entered into a credit agreement (the "Credit Agreement") with Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the other lenders party thereto, providing for senior secured financing of up to \$2.565 billion, consisting of a senior secured term loan facility in an aggregate principal amount of \$1.945 billion (the "Term Loan Facility"), which will mature in 2028, and a senior secured revolving credit facility in an aggregate principal amount of \$620.0 million (the "Revolving Credit Facility"), which will mature in 2026.

The credit facilities allow the Company to increase the size of the Term Loan Facility or request one or more incremental term loan facilities or increase commitments under the Revolving Credit Facility or add one or more incremental revolving facilities in an aggregate amount not to exceed the greater of \$650.0 million and 100% of the Company's consolidated EBITDA for the most recent four-quarter period plus or minus certain amounts as specified in the Credit Agreement, including an unlimited amount subject to compliance with a consolidated total secured net leverage ratio as set out in the Credit Agreement.

The credit facilities are guaranteed by the Company's restricted subsidiaries, subject to certain exceptions, and secured by a first-priority lien on substantially all of the Company's and each of the guarantors' assets, subject to certain exceptions.

As of June 30, 2023, with the discontinuation of the LIBOR reference rate, borrowings under the credit facilities bear interest at a rate equal to, at the Company's option, either (1) the term Secured Overnight Financing Rate ("SOFR"), adjusted for certain additional costs and subject to a floor of 0.50% in the case of term loans and 0.00% in the case of revolving loans or (2) a base rate determined by reference to the greatest of (a) the federal funds rate plus 0.50%, (b) the prime rate, (c) the one-month SOFR rate plus 1.00%, (d) solely in the case of term loans, 1.50% and (e) solely in the case of revolving loans, 1.00%, in each case of clauses (1) and (2), plus an applicable margin. In addition, on a quarterly basis, the Company is required to pay each lender under the Revolving Credit Facility a 0.50% or 0.375% commitment fee in respect of commitments under the Revolving Credit Facility, with the applicable commitment fee determined based on the Company's total net leverage ratio.

The credit facilities contain covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends or make certain other restricted payments, sell assets, make certain investments and grant liens. These covenants are subject to exceptions and qualifications set forth in the Credit Agreement. The Revolving Credit Facility contains a financial covenant regarding a maximum first lien net leverage ratio that applies when borrowings under the Revolving Credit Facility exceed 30% of the total revolving commitment. As of June 30, 2025 (Successor), the Company was in compliance with all such covenants.

In an effort to mitigate the interest rate risk associated with the Company's variable rate credit facilities, the Company utilizes interest rate and cross currency swap derivative instruments. Refer to Note 11 "Derivative Instruments" for further information.

16. LEASES

Operating Leases

The Company is committed under various operating lease agreements for real estate and property used in operations. Certain leases include various renewal options which are included in the lease term when the Company has determined it is reasonably certain of exercising the options. Certain of these leases include percentage rent payments based on property revenues and/or rent escalation provisions determined by increases in the consumer price index ("CPI"). These percentage rent and escalation provisions are treated as variable lease payments and recognized as lease expense in the period in which the obligation for those payments are incurred. Discount rates used to determine the present value of the lease payments are based on the Company's incremental borrowing rate commensurate with the term of the lease.

The Company had total operating lease liabilities of \$2.12 billion and \$1.62 billion as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), respectively, and right of use assets of \$1.93 billion and \$1.54 billion as of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), respectively, which were included in the condensed consolidated balance sheets.

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GLPI Leases

As of June 30, 2025 (Successor), the Company leases certain properties from GLPI under two separate master lease agreements, the “Master Lease,” and the “Master Lease No. 2.” The Company’s Bally’s Evansville, Bally’s Dover, Bally’s Quad Cities, Bally’s Black Hawk, Bally’s Tiverton and Hard Rock Biloxi properties are leased under the terms of the “Master Lease” which requires combined initial minimum annual payments of \$101.5 million. The Company’s Bally’s Kansas City and Bally’s Shreveport properties are leased under the terms of the “Master Lease No. 2” which requires combined initial minimum annual payments of \$32.2 million. All components of the Master Lease and Master Lease No. 2 are accounted for as operating leases within the provisions of ASC 842, *Leases* (“ASC 842”), over the lease term or until a re-assessment event occurs. Both leases have an initial term of 15 years and include four, five-year options to renew and are subject to a minimum 1% annual escalation or greater escalation dependent on CPI. The renewal options are not reasonably certain of exercise as of June 30, 2025 (Successor).

Following the Merger, as of June 20, 2025 (Successor), the Company also has a master lease agreement through Queen with GLPI, the “Queen Master Lease”, with The Queen Baton Rouge, The Belle of Baton Rouge, Casino Queen Marquette and DraftKings at Casino Queen properties being leased under the terms of the Queen Master Lease, which requires initial combined minimum annual payments of \$31.7 million. All components of the Queen Master Lease are accounted for as operating leases within the provisions of ASC 842, over the lease term or until a re-assessment event occurs. The Queen Master Lease has an initial term of 15 years and includes four, five-year options to renew and is subject to annual escalation. The renewal options are not reasonably certain of exercise as of June 30, 2025 (Successor).

In addition to the properties under the master leases explained above, the Company leases land associated with Tropicana Las Vegas under a ground lease established with GLPI in 2022. This lease has an initial term of 50 years, with the possibility of extending up to 99 years through renewal options, and requires initial minimum annual payments of \$10.5 million, subject to minimum 1% annual escalation or greater escalation dependent on CPI. As of June 30, 2025 (Successor), the renewal options are not considered reasonably certain to be exercised. During the third quarter of 2024, the Company modified the lease and GLPI paid \$48.6 million to the Company to fund the demolition of the building at the Tropicana Las Vegas site in exchange for an increase in annual rent of \$4.1 million, also subject to a minimum 1% annual increase or greater based on CPI. This lease modification did not change the lease classification.

Components of lease expense, included within General and administrative in the condensed consolidated statements of operations, for operating leases were as follows:

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Operating leases:					
Operating lease cost	\$ 59,454	\$ 93,474	\$ 21,714	\$ 36,957	\$ 74,288
Variable lease cost	2,389	4,128	1,238	2,823	5,609
Operating lease expense	61,843	97,602	22,952	39,780	79,897
Short-term lease expense	7,063	10,446	2,393	5,633	11,488
Total lease expense	\$ 68,906	\$ 108,048	\$ 25,345	\$ 45,413	\$ 91,385

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Supplemental cash flow and other information related to operating leases for the three months ended June 30, 2025 (Successor), the three months ended June 30, 2024 (Predecessor), the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor) are as follows:

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
(in thousands)					
Cash paid for amounts included in the lease liability - operating cash flows from operating leases	\$ 62,141	\$ 80,625	\$ 30,843	\$ 32,956	\$ 64,505
Right of use assets obtained in exchange for operating lease liabilities	\$ 22,977	\$ 22,977	\$ —	\$ 631	\$ 631

	Successor	Predecessor
	June 30, 2025	December 31, 2024
Weighted average remaining lease term	25.8 years	26.2 years
Weighted average discount rate	7.3 %	8.5 %

As of June 30, 2025 (Successor), future minimum lease payments under noncancellable operating leases are as follows:

	Successor
	June 30, 2025
(in thousands)	
Remaining 2025	\$ 121,496
2026	241,027
2027	236,324
2028	239,173
2029	240,173
Thereafter	4,150,215
Total lease payments	5,228,408
Less: present value discount	(3,110,534)
Lease obligations	\$ 2,117,874

Pending Lease Transactions

On July 11, 2024, the Company entered into a Binding Term Sheet to form a strategic construction and financing arrangement with GLP, an affiliate of GLPI, which includes the funding to complete the construction of Bally's Chicago's permanent casino. GLP will amend the existing land lease through a new master lease agreement with Bally's Chicago Operating Company, LLC ("Chicago MLA"). The Chicago MLA includes annual rent of \$20 million, subject to customary escalation provisions. The Chicago MLA also provides up to \$940 million in construction financing, subject to conditions and approvals. The Company will pay additional rent under the Chicago MLA based on a 8.5% capitalization rate on funded amounts. The initial lease term for the Chicago MLA is 15 years with renewal options to be agreed upon by the parties. On July 17, 2025, the Company signed the Chicago MLA with GLPI. Refer to Note 21 "Subsequent Events" for further information.

In addition, the Company plans to sell and lease back its Bally's Twin River property to GLP by the end of 2026 for \$735 million, with initial annual rent of \$58.8 million. GLP has the right to call this transaction starting October 2026. All such transactions are subject to required regulatory approvals.

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Lessor

The Company leases its hotel rooms to patrons and records the corresponding lessor revenue in Non-gaming revenue within our condensed consolidated statements of operations. The Company had lessor revenues related to the rental of hotel rooms of \$33.7 million and \$35.3 million for the three months ended June 30, 2025 (Successor) and three months ended June 30, 2024 (Predecessor), respectively. The Company had lessor revenues related to the rental of hotel rooms of \$52.4 million, \$11.0 million and \$76.4 million for the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), respectively. Hotel leasing arrangements vary in duration, but are short-term in nature.

17. STOCKHOLDERS' EQUITY

Capital Return Program

The Company has a Board of Directors approved capital return program under which the Company may expend a total of up to \$700 million for share repurchases and payment of dividends. Future share repurchases may be effected in various ways, which could include open-market or private repurchase transactions, accelerated stock repurchase programs, tender offers or other transactions. The amount, timing and terms of any return of capital transaction will be determined based on prevailing market conditions and other factors. There is no fixed time period to complete share repurchases. As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), \$95.5 million was available for use under the capital return program. There was no share repurchase activity under the capital return program during the three months ended June 30, 2025 (Successor), period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the three and six months ended June 30, 2024 (Predecessor).

There were no cash dividends paid during the three months ended June 30, 2025 (Successor), the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) or the three and six months ended June 30, 2024 (Predecessor).

Common Stock Offering

On April 20, 2021, the Company issued a total of 12,650,000 shares of Bally's common stock in an underwritten public offering at a price to the public of \$55.00 per share. Net proceeds from the offering were approximately \$671.4 million, after deducting underwriting discounts, but before expenses.

On April 20, 2021, the Company issued to affiliates of Sinclair a warrant to purchase 909,090 common shares for an aggregate purchase price of \$50.0 million, or \$55.00 per share. The net proceeds were used to finance a portion of the purchase price of the Gamesys acquisition. The exercise price of the warrant is nominal and its exercise is subject to, among other conditions, requisite gaming authority approvals. Sinclair agreed not to acquire more than 4.9% of Bally's outstanding common shares without such approvals. In addition, in accordance with the agreements that Bally's and Sinclair entered into in November 2020, Sinclair exchanged 2,086,908 common shares for substantially identical warrants.

Preferred Stock

The Company has authorized the issuance of up to 10 million shares of \$0.01 par value preferred stock. As of June 30, 2025 (Successor) and December 31, 2024 (Predecessor), no shares of preferred stock have been issued.

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Shares Outstanding

As of June 30, 2025 (Successor), the Company had 49,120,097 common shares issued and outstanding. The Company issued warrants and other contingent consideration in acquisitions and strategic partnerships that are expected to result in the issuance of common shares in future periods resulting from the exercise of warrants or the achievement of certain performance targets. These incremental shares are summarized below:

Sinclair Penny Warrants (Note 2)	11,575,597
MKF penny warrants (Note 12)	44,128
Outstanding awards under Equity Incentive Plans	699,222
	12,318,947

Accumulated Other Comprehensive Income (Loss)

The following tables reflect the changes in accumulated other comprehensive loss by component for the period from February 8, 2025 to June 30, 2025 (Successor), Period from January 1, 2025 to February 7, 2025 (Predecessor) and six months ended June 30, 2024 (Predecessor), respectively:

Predecessor					
<i>(in thousands)</i>	Foreign Currency Translation Adjustment	Benefit Plans	Cash Flow Hedges ⁽¹⁾	Net Investment Hedges	Total
Accumulated other comprehensive (loss) income at December 31, 2024 (Predecessor)	\$ (261,745)	\$ 1,746	\$ (8,189)	\$ 7,921	\$ (260,267)
Other comprehensive income (loss) before reclassifications	(13,097)	—	1,425	3,655	(8,017)
Reclassifications from accumulated other comprehensive income (loss) to earnings	—	—	(105)	7	(98)
Tax effect	—	—	(352)	(976)	(1,328)
Accumulated other comprehensive (loss) income at February 07, 2025 (Predecessor)	\$ (274,842)	\$ 1,746	\$ (7,221)	\$ 10,607	\$ (269,710)

Successor					
<i>(in thousands)</i>	Foreign Currency Translation Adjustment	Cash Flow Hedges ⁽¹⁾	Net Investment Hedges	Total	
Accumulated other comprehensive (loss) income at February 8, 2025 (Successor)	\$ —	\$ —	\$ —	\$ —	\$ —
Other comprehensive income (loss) before reclassifications		198,030	(28,414)	(72,670)	96,946
Reclassifications from accumulated other comprehensive income (loss) to earnings		—	1,383	1,405	2,788
Tax effect		(52,548)	7,203	18,990	(26,355)
Accumulated other comprehensive (loss) income at June 30, 2025 (Successor)	\$ 145,482	\$ (19,828)	\$ (52,275)	\$	73,379

(1) As of June 30, 2025 (Successor), approximately \$10.9 million of existing gains and losses are estimated to be reclassified into earnings within the next 12 months.

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	Predecessor				
<i>(in thousands)</i>	Foreign Currency Translation Adjustment	Benefit Plans	Cash Flow Hedges	Net Investment Hedges	Total
Accumulated other comprehensive (loss) income at December 31, 2023	\$ (177,203)	\$ 886	\$ (11,246)	\$ (21,995)	\$ (209,558)
Other comprehensive income (loss) before reclassifications	(46,679)	—	26,356	15,597	(4,726)
Reclassifications from accumulated other comprehensive income (loss) to earnings	—	—	(5,695)	(2,536)	(8,231)
Tax effect	—	—	(6,074)	4,193	(1,881)
Accumulated other comprehensive (loss) income at June 30, 2024	\$ (223,882)	\$ 886	\$ 3,341	\$ (4,741)	\$ (224,396)

18. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is a party to other various legal and administrative proceedings which have arisen in the ordinary course of its business. Estimated losses are accrued for these proceedings when the loss is probable and can be estimated. The current liability for the estimated losses associated with these proceedings is not material to the Company's consolidated financial condition and those estimated losses are not expected to have a material impact on results of operations. Although the Company maintains what it believes is adequate insurance coverage to mitigate the risk of loss pertaining to covered matters, legal and administrative proceedings can be costly, time-consuming and unpredictable.

Although no assurance can be given, the Company does not believe that the final outcome of these matters, including costs to defend itself in such matters, will have a material adverse effect on the company's condensed consolidated financial statements. Further, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover losses arising from such matters.

Capital Expenditure Commitments

Bally's Twin River - Pursuant to the terms of the Regulatory Agreement in Rhode Island, the Company is committed to invest \$100 million in its Rhode Island properties over the term of the master contract through June 30, 2043, including an expansion and the addition of new amenities at Bally's Twin River. As of June 30, 2025 (Successor), approximately \$42.0 million of the commitment remains.

Bally's Chicago - Pursuant to the Host Community Agreement with the City of Chicago, the Company's indirect subsidiary is required to spend at least \$1.34 billion on the design, construction and outfitting of the temporary casino and the permanent resort and casino. The actual cost of the development may exceed this minimum capital investment requirement. In addition, land acquisition costs and financing costs, among other types of costs, are not counted toward meeting this requirement. As of June 30, 2025 (Successor), approximately \$965.7 million of this commitment remains.

City of Chicago Guaranty

In connection with the Host Community Agreement, entered into by Bally's Chicago Operating Company, LLC (the "Developer"), a wholly-owned indirect subsidiary of the Company, the Company provided the City of Chicago with a performance guaranty whereby the Company agreed to have and maintain available financial resources in an amount reasonably sufficient to allow the Developer to complete its obligations under the host community agreement. In addition, upon notice from the City of Chicago that the Developer has failed to perform various obligations under the Host Community Agreement, the Company has agreed to indemnify the City of Chicago against any and all liability, claim or reasonable and documented expense the City of Chicago may suffer or incur by reason of any nonperformance of any of the Developer's obligations.

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Bally's Chicago Casino Fees

Under the Illinois Gambling Act, the Company will be responsible to pay the Illinois Gaming Board a reconciliation fee payment three years after the date operations commenced (in a temporary or permanent facility) in an amount equal to 75% of the adjusted gross receipt ("AGR") for the most lucrative 12-month period of operations, minus the amount equal to the initial payment per gaming position paid.

Sponsorship Commitments

As of June 30, 2025 (Successor), the Company has entered into multiple sponsorship agreements with various professional sports leagues and teams. These agreements commit a total of \$114.3 million through 2036 and grant the Company rights to use official league marks for branding and promotions, among other benefits.

Interactive Technology Commitments

The Company has certain multi-year agreements with its various market access and content providers, as well as its online sports betting platform partners, that require the Company to pay variable fees based on revenue, with minimum annual guarantees. As of June 30, 2025 (Successor), the cumulative minimum obligation committed in these agreements is approximately \$37.6 million through 2029.

19. SEGMENT REPORTING

The Company has three operating and reportable segments: Casinos & Resorts, International Interactive and North America Interactive. The "Corporate & Other" category includes interest expense, select immaterial operating segments, unallocated corporate operating expenses, and other adjustments, such as eliminations of inter-segment transactions, to reconcile with the Company's consolidated results. This category further accounts for other expenses such as share-based compensation, acquisition and transaction costs, and other non-recurring charges.

During the first quarter of 2025, the Company moved a component of the North America Interactive operating segment to a separate operating segment, which is reported in the Corporate & Other category, to better align with the Company's strategic growth initiatives and how its chief operating decision maker evaluates performance and allocates resources. Comparable prior period segment results have been re-cast to reflect this change. The prior year results presented below were reclassified to conform to the new segment presentation.

The Company's three reportable segments as of June 30, 2025 (Successor) are:

Casinos & Resorts - Includes the Company's 19 casino and resort properties, one horse racetrack and one golf course.

International Interactive - Includes the Company's interactive European gaming operations, the Company's global licensing revenue generating operations, as well as one casino property, Bally's Newcastle, in the UK.

North America Interactive - A portfolio of sports betting, iGaming, and free-to-play gaming brands.

The Company's chief operating decision maker is its Executive Committee, consisting of the Chief Executive Officer, President, and Chief Financial Officer. The Company uses consolidated Adjusted EBITDA and segment Adjusted EBITDAR to analyze the performance of its business and they are used as determining factors for performance-based compensation for members of the Company's management team. The Company uses consolidated Adjusted EBITDA and segment Adjusted EBITDAR when evaluating the operating performance of the business because management believes that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a more fulsome understanding of the core operating results and as a means to evaluate period-to-period performance.

Management believes segment Adjusted EBITDAR is representative of its ongoing business operations including its ability to service debt and to fund capital expenditures, acquisitions and operations, in addition to it being a commonly used measure of performance in the gaming industry and used by industry analysts to evaluate operations and operating performance.

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As of June 30, 2025 (Successor), the Company's operations were predominately in the US and Europe with a less substantive footprint in other countries world-wide. For geographical reporting purposes, revenue generated outside of the US has been aggregated into the International Interactive reporting segment, and consists primarily of revenue from the UK. Revenue generated from the UK represented approximately 28%, 28% and 32% of total revenue for the three months ended June 30, 2025 (Successor) the period from February 8, 2025 to June 30, 2025 (Successor) and the period from January 1, 2025 to February 7, 2025 (Predecessor), respectively. For the three and six months ended June 30, 2024 (Predecessor), the Company's revenue generated outside of the US consisted primarily of revenue from the UK and Japan of approximately 28% and 27% of total revenue, respectively. The Company does not have any revenues from any individual customers that exceed 10% of total reported revenues.

The following table sets forth revenue and Adjusted EBITDAR for the Company's three reportable segments and reconciles Adjusted EBITDAR on a consolidated basis to net (loss) income. The Other category is included in the following tables in order to reconcile the segment information to the Company's condensed consolidated financial statements.

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	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Revenue					
Casinos & Resorts	\$ 393,333	\$ 620,184	\$ 124,299	\$ 343,051	\$ 685,380
International Interactive	206,066	318,816	78,985	229,396	464,079
North America Interactive	56,502	84,059	16,941	46,500	86,067
Corporate & Other	1,633	3,169	273	2,710	4,613
Total	<u>\$ 657,534</u>	<u>\$ 1,026,228</u>	<u>\$ 220,498</u>	<u>\$ 621,657</u>	<u>\$ 1,240,139</u>
Adjusted EBITDAR⁽¹⁾					
Casinos & Resorts	\$ 105,967	\$ 177,507	\$ 23,554	\$ 99,801	\$ 189,219
International Interactive	82,205	130,400	28,940	81,292	164,824
North America Interactive	2,484	139	(5,661)	(2,196)	(11,310)
Corporate & Other	(17,506)	(27,209)	(6,774)	(17,098)	(32,819)
Total	<u>173,150</u>	<u>280,837</u>	<u>40,059</u>	<u>161,799</u>	<u>309,914</u>
Operating (expense) income					
Rent expense associated with triple net operating leases ⁽²⁾	(43,904)	(68,320)	(15,669)	(31,737)	(63,384)
Depreciation and amortization	(71,732)	(119,213)	(22,343)	(78,782)	(238,528)
Transaction costs	(36,046)	(43,784)	(5,106)	(6,604)	(12,164)
Restructuring	—	—	—	(376)	(18,989)
Tropicana Las Vegas demolition and closure costs	(9,698)	(15,629)	(2,605)	(15,557)	(16,021)
Share-based compensation	(2,350)	(5,090)	(1,954)	(4,472)	(7,530)
Impairment charges	—	—	—	(12,757)	(12,757)
Merger Agreement costs ⁽³⁾	(4,546)	(20,421)	(11,233)	(1,219)	(1,989)
Other	(7,311)	268,210	38,144	(4,722)	(6,934)
(Loss) income from operations	<u>(2,437)</u>	<u>(4,247)</u>	<u>(20,766)</u>	<u>5,573</u>	<u>(68,382)</u>
Other (expense) income					
Interest expense, net of interest income	(97,522)	(149,259)	(27,229)	(74,200)	(147,331)
Other	56,964	47,934	(2,365)	6,930	11,484
Total other expense, net	<u>(40,558)</u>	<u>(101,325)</u>	<u>(29,594)</u>	<u>(135,847)</u>	<u>(67,270)</u>
Loss before income taxes	<u>(42,995)</u>	<u>(105,572)</u>	<u>(50,360)</u>	<u>(61,697)</u>	<u>(204,229)</u>
Benefit (provision) for income taxes	<u>(185,441)</u>	<u>(88,348)</u>	<u>(664)</u>	<u>1,501</u>	<u>(29,881)</u>
Net loss	<u>\$ (228,436)</u>	<u>\$ (193,920)</u>	<u>\$ (51,024)</u>	<u>\$ (60,196)</u>	<u>\$ (234,110)</u>

(1) Adjusted EBITDAR is defined as earnings, or loss, for the Company before interest expense, net of interest income, provision (benefit) for income taxes, depreciation and amortization, non-operating (income) expense, acquisition, integration and restructuring expense, share-based compensation, and certain other gains or losses as well as, when presented for our reporting segments, an adjustment related to the allocation of corporate cost among segments, plus rent expense associated with triple net operating leases. Adjusted EBITDAR should not be construed as an alternative to GAAP net income, its most directly comparable GAAP measure, nor is it directly comparable to similarly titled measures presented by other companies.

(2) Consists primarily of the operating lease components contained within certain triple net leases with GLPI. Refer to Note 16 "Leases" for further information.

(3) Costs incurred in connection with the Merger Agreement discussed in Note 1 "General Information".

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The following table sets forth significant segment expenses and other segment items by reportable segment (in thousands):

	Casinos & Resorts	International Interactive	North America Interactive
Three Months Ended June 30, 2025 (Successor)			
Revenue	\$ 393,333	\$ 206,066	\$ 56,502
Less: segment expenses			
Marketing costs	17,440	21,144	12,764
Gaming tax	47,659	43,912	11,530
Compensation	101,189	22,947	7,802
Other direct costs	—	22,729	17,937
Casino property costs	57,872	—	—
General and administrative	57,451	11,913	4,366
Other segment items ⁽¹⁾	5,755	1,216	(381)
Segment EBITDAR	<u>105,967</u>	<u>82,205</u>	<u>2,484</u>
Period from February 8, 2025 to June 30, 2025 (Successor)			
Revenue	\$ 620,184	\$ 318,816	\$ 84,059
Less: segment expenses			
Marketing costs	29,052	32,806	19,815
Gaming tax	76,832	66,973	20,542
Compensation	158,905	34,790	12,283
Other direct costs	—	34,142	29,589
Casino property costs	95,046	—	—
General and administrative	72,392	20,645	7,462
Other segment items ⁽¹⁾	10,450	(940)	(5,771)
Segment EBITDAR	<u>\$ 177,507</u>	<u>\$ 130,400</u>	<u>\$ 139</u>
Period from January 1, 2025 to February 7, 2025 (Predecessor)			
Revenue	\$ 124,299	\$ 78,985	\$ 16,941
Less: segment expenses			
Marketing costs	8,814	8,362	5,055
Gaming tax	20,917	16,535	6,461
Compensation	41,381	8,492	3,213
Other direct costs	—	8,183	8,355
Casino property costs	26,653	—	—
General and administrative	10,712	6,261	2,220
Other segment items ⁽¹⁾	(7,732)	2,212	(2,702)
Segment EBITDAR	<u>\$ 23,554</u>	<u>\$ 28,940</u>	<u>\$ (5,661)</u>

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	<u>Casinos & Resorts</u>	<u>International Interactive</u>	<u>North America Interactive</u>
Three Months Ended June 30, 2024 (Predecessor)			
Revenue	\$ 343,051	\$ 229,396	\$ 46,500
Less: segment expenses			
Marketing costs	20,988	33,924	11,092
Gaming tax	48,754	37,911	14,843
Compensation	98,017	26,143	7,643
Other direct costs	—	36,368	17,235
Casino property costs	36,771	—	—
General and administrative	17,088	14,195	1,621
Other segment items (1)	21,632	(437)	(3,738)
Segment EBITDAR	<u>99,801</u>	<u>81,292</u>	<u>(2,196)</u>
Six months ended June 30, 2024 (Predecessor)			
Revenue	\$ 685,380	\$ 464,079	\$ 86,067
Less: segment expenses			
Marketing costs	41,336	69,122	25,060
Gaming tax	94,162	72,688	20,270
Compensation	191,660	58,926	9,866
Other direct costs	—	—	—
Casino property costs	105,784	74,242	28,970
General and administrative	34,524	32,972	9,060
Other segment items ⁽¹⁾	28,695	(8,695)	4,151
Segment EBITDAR	<u>\$ 189,219</u>	<u>\$ 164,824</u>	<u>\$ (11,310)</u>

(1) Other Segment Items primarily includes Gaming and non-gaming expenses within our Casinos & Resorts reportable segment, and certain other immaterial costs and allocations within each of the Company's reportable segments.

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	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Capital Expenditures					
Casinos & Resorts	\$ 12,419	\$ 23,125	\$ 5,306	\$ 13,278	\$ 23,157
International Interactive	288	288	148	112	358
North America Interactive	—	—	—	429	689
Corporate & Other ⁽¹⁾	36,258	56,009	10,970	21,890	39,558
Total	<u>\$ 48,965</u>	<u>\$ 79,422</u>	<u>\$ 16,424</u>	<u>\$ 35,709</u>	<u>\$ 63,762</u>

(1) Includes \$36.3 million, \$56.0 million, \$11.0 million, \$21.6 million and \$39.1 million related to our future Bally's Chicago permanent facility during the three months ended June 30, 2025 (Successor), the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the three and six months ended June 30, 2024 (Predecessor), respectively.

Total assets are not regularly reviewed for each operating segment when assessing segment performance or allocating resources and accordingly, are not presented.

20. EARNINGS (LOSS) PER SHARE

Diluted earnings per share includes the determinants of basic earnings per share and, in addition, reflects the dilutive effect of the common stock deliverable for stock options, using the treasury stock method, and for RSUs, RSAs and PSUs for which future service is required as a condition to the delivery of the underlying common stock.

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands, except per share data)</i>					
Net loss applicable to common stockholders	\$ (228,436)	\$ (193,920)	\$ (51,024)	\$ (60,196)	\$ (234,110)
Weighted average common shares outstanding, basic	60,686	60,554	48,743	48,498	48,308
Weighted average effect of dilutive securities	—	—	—	—	—
Weighted average common shares outstanding, diluted	60,686	60,554	48,743	48,498	48,308
Basic loss per share	\$ (3.76)	\$ (3.20)	\$ (1.05)	\$ (1.24)	\$ (4.85)
Diluted loss per share	\$ (3.76)	\$ (3.20)	\$ (1.05)	\$ (1.24)	\$ (4.85)

There were 296,374, 231,580, 5,056,640, 4,951,558 and 5,254,089 share-based awards that were considered anti-dilutive for the three months ended June 30, 2025 (Successor), the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and three and six months ended June 30, 2024 (Predecessor), respectively.

The Company has Penny Warrants which participate in dividends with the Company's common stock subject to certain contingencies. In the period in which the contingencies are met, those instruments are participating securities to which income will be allocated using the two-class method. The Penny Warrants were considered exercisable for little to no consideration and are therefore included in basic shares outstanding at their issuance date. Refer to Note 2 "Summary of Significant Accounting Policies" for further information regarding the Framework Agreement.

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21. SUBSEQUENT EVENTS

Transaction Agreement - International Interactive Business

On July 1, 2025, the Company's Board of Directors, authorized the Company to enter into a definitive transaction agreement (the "Transaction Agreement") with Intralot S.A., a Greek publicly listed company ("Intralot"). Following the expiration of a 10-day statutory waiting period under Greek law, the Company and Intralot entered into the Transaction Agreement on July 18, 2025, pursuant to which, at the closing (the "Closing") of the transactions contemplated therein (the "Transactions"), Intralot will directly and/or indirectly acquire all of the issued and outstanding capital stock of Bally's Holdings Limited, a Jersey limited company and subsidiary of the Company holding the Company's "International Interactive" business, in exchange for total consideration valued at approximately €2.7 billion, consisting of (i) €1.5 billion in cash, subject to adjustment, and (ii) 873,707,073 newly issued ordinary shares of Intralot ("Intralot Shares") at an implied value of €1.30 per Intralot Share. As a result of the Transactions, the Company is expected to become the majority shareholder of Intralot.

The Closing, which is expected to occur in the fourth quarter of 2025, is subject to the satisfaction or waiver of certain mutual closing conditions, including (i) the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of clearance under applicable non-U.S. antitrust law, (ii) the receipt of certain gaming regulatory clearances, (iii) the receipt of Intralot shareholder approval, (iv) the closing of an intended offering by Intralot of newly-issued Intralot Shares for cash, (v) the listing on the Athens Exchange of the Intralot Shares to be received by the Company in the Transactions, and (vi) Intralot's receipt of debt financing. In that respect, a subsidiary of Intralot has obtained commitments from Citizens Bank, Deutsche Bank, Goldman Sachs, and Jefferies for debt financing up to €1.6 billion, which is expected to be refinanced through the debt capital markets and is subject to certain conditions.

As discussed in Note 2, "Summary of Significant Accounting Policies", effective June 30, 2025, an existing loan receivable to the Company was settled through payment of shares of Intralot, and the Company also purchased additional shares in Intralot, which increased the Company's ownership interest in Intralot from 26.86% to 33.34%, following which a mandatory tender offer obligation for the remaining outstanding shares of Intralot has been triggered subsequent to period-end.

One Big Beautiful Bill

On July 4, 2025, President Trump signed the One Big Beautiful Bill ("OB BB"), which resulted in many tax extensions and other rule changes, including the following which will have an effect on the Company's tax provision in 2025 or 2026:

- Full expensing of U.S. research and development costs under Section 174A
- Retroactive expensing of unamortized U.S. research and development costs capitalized between 2022 and 2024; either all in 2025, or over two years in 2025 and 2026.
- Return of the Section 163(j) taxable income base excluding the deductions for depreciation and amortization in 2025 (change from "Tax EBIT" to "Tax EBITDA").
- Decrease in the Section 250 deduction for Net CFC Tested Income (formerly GILTI) to 40% (from 50%) in 2026, instead of the scheduled decrease to 37.5% prior to the OB BB.
- Decrease in the Section 250 deduction for foreign-derived income to 33.34% (from 37.5%) in 2026, instead of the scheduled decrease to 21.875% prior to the OB BB.
- Increase in the foreign tax credit rate on Net CFC Tested Income (formerly GILTI) to 90% (from 80%), and a 10% disallowance on repatriation, in 2026.
- Removal of the allocation of interest expense and research and development expense to Net CFC Tested Income (formerly GILTI) in calculating the foreign tax credit limitation, effective in 2026.

The Company is currently evaluating the effect of the OB BB on its future interim and annual financial statements. The Company's deferred tax asset for U.S. research and development costs may be reversed in subsequent financial statements, decreasing tax payable for a similar amount or increasing other tax attributes; and this research deduction may have an effect on the Section 163(j) limitation; as such, the full effect of the OB BB is not practical to estimate at this time.

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Chicago MLA

On July 17, 2025, the Company entered into the Chicago MLA, as described in Note 11 "Leases," with GLP, that amended the existing ground lease for the property on which the Company plans to develop its Permanent Facility and a development agreement with GLP (the "Chicago Development Agreement") pursuant to which GLP has committed to advance up to \$940 million (the "GLP Development Advances") for the payment of hard costs used to construct the Permanent Facility in exchange for increasing the amount of rent payable to GLP under the Chicago MLA.

The Chicago MLA has an initial term of 15 years and includes four, five-year options to renew and is subject to annual escalation. Annual rent under the Chicago MLA is \$20 million, with additional rent equal to 8.5% of the GLP Development Advances that are granted to the Company. The amended and restated ground lease will be accounted for as a lease modification event in the third quarter of 2025. The Company expects to begin drawing on the advance under the Chicago Development Agreement and thus incurring increased rent in the third quarter of 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding Forward-Looking Statements

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

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

Important factors beyond those that apply to most businesses, some of which are beyond our control, that could cause actual results to differ materially from our expectations and assumptions include:

- unexpected costs and other events impacting our planned construction projects, including Bally's Chicago;
- risks associated with our pending Transaction with Intralot, including risks related to obtaining required regulatory, shareholder and other approvals and our ability to realize anticipated benefits of the Transaction;
- unexpected costs, difficulties integrating and other events impacting our completed acquisitions and our ability to realize anticipated benefits;
- risks associated with our rapid growth, including those affecting customer and employee retention, integration and controls;
- risks associated with the impact of the digitalization of gaming on our casino operations, our expansion into online gaming ("iGaming") and sports betting and the highly competitive and rapidly changing aspects of our interactive businesses generally;
- the very substantial regulatory restrictions applicable to us, including costs of compliance;
- global economic challenges, including the impact of public health crises, global and regional conflicts, rising inflation, rising interest rates and supply-chain disruptions, could cause economic uncertainty and volatility and impact discretionary consumer spending;
- restrictions and limitations in agreements to which we are subject, including our debt, could significantly affect our ability to operate our business and our liquidity; and
- other risks identified in Part I. Item 1A. "Risk Factors" of Bally's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 as filed with the SEC on March 15, 2025 and other filings with the SEC.

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

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

Overview

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

As of June 30, 2025, we own and manage 19 casinos in 11 states across the United States (“US”), one golf course in New York, one horse racetrack in Colorado, and Aspers Casino in the United Kingdom (“UK”) (“Bally's Newcastle”). In February 2025, we merged with The Queen Casino & Entertainment Inc. (“Queen”) adding four additional casinos to our portfolio. We also own Bally Bet Sportsbook & Casino, a first-in-class sports betting and iCasino platform, Bally's International Interactive division, a leading global interactive gaming operator concentrated in Europe, and a significant stake in Intralot S.A. (“Intralot”), a global lottery management and services business. Our revenues are primarily generated by these gaming and entertainment offerings. Our proprietary software and technology stack is designed to allow us to provide consumers with differentiated offerings and exclusive content.

Our Strategy and Business Developments

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

We continue to make progress on the integration of our acquired assets and deploying capital on our strategic growth projects. These steps have positioned us as a prominent, full-service, vertically integrated iGaming company, with physical casinos and online gaming solutions united under a single, leading brand.

Agreement and Plan of Merger

On February 7, 2025, the Company completed the previously announced transactions under the Agreement and Plan of Merger (as amended, the “Merger Agreement”) with SG Parent LLC, a Delaware limited liability company (“Parent”), The Queen Casino & Entertainment, Inc., a Delaware corporation and affiliate of Parent (“Queen”), Epsilon Sub I, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub I”), Epsilon Sub II, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub II”), and together with the Company and Merger Sub I, the “Company Parties”), and, solely for purposes of specified provisions thereof, SG CQ Gaming LLC, a Delaware limited liability company (“SG Gaming”) and together with Parent and Queen, the “Buyer Parties”). Refer to Note 1 “General Information” in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the Merger Agreement and the mergers.

Transaction Agreement - International Interactive Business

On July 1, 2025, the Company's Board of Directors, authorized the Company to enter into a definitive transaction agreement (the “Transaction Agreement”) with Intralot S.A., a Greek publicly listed company (“Intralot”). Following the expiration of a 10-day statutory waiting period under Greek law, the Company and Intralot entered into the Transaction Agreement on July 18, 2025, pursuant to which, at the closing (the “Closing”) of the transactions contemplated therein (the “Transactions”), Intralot will directly and/or indirectly acquire all of the issued and outstanding capital stock of Bally's Holdings Limited, a Jersey limited company and subsidiary of the Company holding the Company's “International Interactive” business, in exchange for total consideration valued at approximately €2.7 billion, consisting of (i) €1.5 billion in cash, subject to adjustment, and (ii) 873,707,073 newly issued ordinary shares of Intralot (“Intralot Shares”) at an implied value of €1.30 per Intralot Share. As a result of the Transactions, the Company is expected to become the majority shareholder of Intralot. A substantial portion of the cash proceeds from the transaction are expected to be used to pay down any drawings under the revolver and other secured debt resulting in enhanced liquidity and significant reduction in Bally's 2028 secured debt. Any remaining proceeds will be for general corporate purposes including investments in capital expenditures and ongoing development projects.

The Closing, which is expected to occur in the fourth quarter of 2025, is subject to the satisfaction or waiver of certain mutual closing conditions, including (i) the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of clearance under applicable non-U.S. antitrust law, (ii) the receipt of certain gaming regulatory clearances, (iii) the receipt of Intralot shareholder approval, (iv) the closing of an intended offering by Intralot of newly-issued Intralot Shares for cash, (v) the listing on the Athens Exchange of the Intralot Shares to be received by the Company in the Transactions, and (vi) Intralot's receipt of debt financing. In that respect, a subsidiary of Intralot has obtained commitments from Citizens Bank, Deutsche Bank, Goldman Sachs, and Jefferies for debt financing up to €1.6 billion (which is expected to be refinanced through the debt capital markets and is subject to certain conditions).

Operating Structure

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

Casinos & Resorts - includes our 19 land-based casino properties, one horse racetrack and one golf course:

Property Name	Location
Bally's Atlantic City Casino Resort ("Bally's Atlantic City")	Atlantic City, New Jersey
Bally's Black Hawk ⁽¹⁾⁽²⁾	Black Hawk, Colorado
Bally's Chicago Casino ("Bally's Chicago") ⁽²⁾⁽³⁾	Chicago, Illinois
Bally's Dover Casino Resort ("Bally's Dover") ⁽²⁾	Dover, Delaware
Bally's Evansville Casino & Hotel ("Bally's Evansville") ⁽²⁾	Evansville, Indiana
Bally's Kansas City Casino ("Bally's Kansas City")	Kansas City, Missouri
Bally's Lake Tahoe Casino Resort ("Bally's Lake Tahoe")	Lake Tahoe, Nevada
Bally's Quad Cities Casino & Hotel ("Bally's Quad Cities") ⁽²⁾	Rock Island, Illinois
Bally's Shreveport Casino & Hotel ("Bally's Shreveport")	Shreveport, Louisiana
Bally's Tiverton Casino & Hotel ("Bally's Tiverton") ⁽²⁾	Tiverton, Rhode Island
Bally's Twin River Lincoln Casino Resort ("Bally's Twin River")	Lincoln, Rhode Island
Bally's Vicksburg Casino ("Bally's Vicksburg")	Vicksburg, Mississippi
Hard Rock Hotel & Casino Biloxi ("Hard Rock Biloxi") ⁽²⁾	Biloxi, Mississippi
Bally's Arapahoe Park	Aurora, Colorado
Bally's Golf Links at Ferry Point ("Bally's Golf Links")	Bronx, New York
The Queen Baton Rouge	Baton Rouge, Louisiana
The Belle of Baton Rouge	Baton Rouge, Louisiana
Casino Queen Marquette	Marquette, Iowa
DraftKings at Casino Queen	East St. Louis, Illinois

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

(2) Properties leased from Gaming and Leisure Properties, Inc. ("GLPI"). Refer to Note 16 "Leases" for further information.

(3) Temporary casino facility while permanent casino resort is constructed. Site of future permanent casino resort is leased from GLPI.

International Interactive- includes Gamesys' European operations and global licensing business, one casino property, Bally's Newcastle, in the UK, as well as certain other international consumer facing platforms.

North America Interactive- includes Bally's Interactive, primarily a B2C online iGaming and online sportsbook operator; and certain other consumer facing service and marketing engines.

Refer to Note 19 "Segment Reporting" to our condensed consolidated financial statements for additional information on our segment reporting structure.

Rhode Island Regulatory Agreement

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

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

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

Macroeconomic and Other Factors

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

Key Performance Indicators

The key performance indicator used in managing our business is consolidated Adjusted EBITDA and segment Adjusted EBITDAR which are non-GAAP measures. Adjusted EBITDA is defined as earnings, or loss, for the Company, or where noted its reporting segments, before, in each case, interest expense, net of interest income, provision (benefit) for income taxes, depreciation and amortization, non-operating (income) expense, acquisition and other transaction related costs, share-based compensation and certain other gains or losses as well as, when presented for our reporting segments, an adjustment related to the allocation of corporate cost among segments. Segment Adjusted EBITDAR is Adjusted EBITDA (as defined above) for the Company’s reportable segments, plus rent expense associated with triple net operating leases with GLPI for the real estate assets used in the operation of the Bally’s casinos and the assumption of the lease for real estate and land underlying the operations of the Bally’s Lake Tahoe property.

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

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

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

Second Quarter 2025 and First Six Months Results

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

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in millions)</i>					
Total revenue	\$ 657.5	\$ 1,026.2	\$ 220.5	\$ 621.7	\$ 1,240.1
(Loss) income from operations	(2.4)	(4.2)	(20.8)	5.6	(68.4)
Net loss	(228.4)	(193.9)	(51.0)	(60.2)	(234.1)

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

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Gaming and non-gaming expenses	44.1 %	44.1 %	47.4 %	45.8 %	45.9 %
General and administrative	45.4 %	44.7 %	51.9 %	40.6 %	40.4 %
Depreciation and amortization	10.9 %	11.6 %	10.1 %	12.7 %	19.2 %
Total operating costs and expenses	100.4 %	100.4 %	109.4 %	99.1 %	105.5 %
(Loss) income from operations	(0.4)%	(0.4)%	(9.4)%	0.9 %	(5.5)%
Other (expense) income:					
Interest expense, net	(14.8)%	(14.5)%	(12.3)%	(11.9)%	(11.9)%
Other non-operating income (expense), net	8.7 %	4.7 %	(1.1)%	1.1 %	0.9 %
Total other expense, net	(6.2)%	(9.9)%	(13.4)%	(10.8)%	(11.0)%
Loss before income taxes	(6.5)%	(10.3)%	(22.8)%	(9.9)%	(16.5)%
(Benefit) provision for income taxes	28.2 %	8.6 %	0.3 %	(0.2)%	2.4 %
Net loss	(34.7)%	(18.9)%	(23.1)%	(9.7)%	(18.9)%

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

Segment Performance

During the first quarter of 2025, the Company moved a component of the North America Interactive operating segment to a separate operating segment, which is reported in the Corporate & Other category, to better align with the Company's strategic growth initiatives and how its chief operating decision maker evaluates performance and allocates resources. Comparable prior period segment results have been re-cast to reflect this change. The prior year results presented below were reclassified to conform to the new segment presentation.

The following table sets forth certain financial information associated with results of operations for the Successor three months ended June 30, 2025, the Predecessor period from January 1, 2025 to February 7, 2025 and the three months ended June 30, 2024 (Predecessor):

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands, except percentages)</i>					
Revenue:					
Gaming					
Casinos & Resorts	\$ 305,858	\$ 484,392	\$ 95,984	\$ 255,545	\$ 505,963
International Interactive	195,860	303,596	74,849	227,149	458,416
North America Interactive	55,913	83,422	14,934	42,057	76,429
Total Gaming revenue	557,631	871,410	185,767	524,751	1,040,808
Non-gaming					
Casinos & Resorts	87,475	135,792	28,315	87,506	179,417
International Interactive	10,206	15,220	4,136	2,247	5,663
North America Interactive	589	637	2,007	4,443	9,638
Corporate & Other	1,633	3,169	273	2,710	4,613
Total Non-gaming revenue	99,903	154,818	34,731	96,906	199,331
Total revenue	\$ 657,534	\$ 1,026,228	\$ 220,498	\$ 621,657	\$ 1,240,139
Operating costs and expenses:					
Gaming					
Casinos & Resorts	\$ 116,689	\$ 181,204	\$ 37,637	\$ 94,039	\$ 189,242
International Interactive	87,920	132,357	33,335	105,528	211,339
North America Interactive	37,427	61,998	17,022	36,603	71,733
Corporate & Other	—	—	—	—	—
Total Gaming expenses	\$ 242,036	\$ 375,559	\$ 87,994	\$ 236,170	\$ 472,314
Non-gaming					
Casinos & Resorts	\$ 45,240	\$ 70,080	\$ 16,240	\$ 42,476	\$ 88,586
International Interactive	—	1,140	16	2,575	3,702
North America Interactive	2,765	5,330	68	178	718
Corporate & Other	—	564	202	3,484	3,818
Total Non-gaming expenses	\$ 48,005	\$ 77,114	\$ 16,526	\$ 48,713	\$ 96,824
General and administrative					
Casinos & Resorts	\$ 172,451	\$ 264,456	\$ 63,503	\$ 157,272	\$ 322,091
International Interactive	37,072	57,195	16,818	53,417	96,484
North America Interactive	14,439	17,468	5,512	12,833	24,609
Corporate & Other	74,236	119,470	28,568	28,897	57,671
Total General and administrative	\$ 298,198	\$ 458,589	\$ 114,401	\$ 252,419	\$ 500,855
Margins:					
Gaming expenses as a percentage of Gaming revenue	43 %	43 %	47 %	45 %	45 %
Non-gaming expenses as a percentage of Non-gaming revenue	48 %	50 %	48 %	50 %	49 %
General and administrative as a percentage of Total revenue	45 %	45 %	52 %	41 %	40 %

The Successor Three Months Ended June 30, 2025 Compared to the Predecessor Three Months Ended June 30, 2024, and the Predecessor Period from January 1, 2025 to February 7, 2025 and Successor period from February 8, 2025 to June 30, 2025 Compared to the Predecessor Six Months Ended June 30, 2024.

Total Revenue

The following table sets forth certain financial information associated with revenue for the Successor three months ended June 30, 2025, the Successor period from February 8, 2025 to June 30, 2025, the Predecessor period from January 1, 2025 to February 7, 2025 and the three and six months ended June 30, 2024 (Predecessor) (in thousands):

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Gaming	\$ 557,631	\$ 871,410	\$ 185,767	\$ 524,751	\$ 1,040,808
Hotel	33,714	52,427	11,006	35,264	76,354
Food and beverage	34,828	55,082	11,304	33,123	68,075
Licensing	7,046	11,929	3,720	—	—
Retail, entertainment and other	24,315	35,380	8,701	28,519	54,902
Total revenue	\$ 657,534	\$ 1,026,228	\$ 220,498	\$ 621,657	\$ 1,240,139

Total revenue for the Successor three months ended June 30, 2025 increased 6% or \$35.9 million to \$657.5 million from \$621.7 million in the three months ended June 30, 2024 (Predecessor). Total revenue for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 increased 1%, or \$6.6 million, from \$1.24 billion for the six months ended June 30, 2024 (Predecessor). Revenue for Casinos & Resorts was up approximately 14.7%, or \$50.3 million for the Successor three months ended June 30, 2025 compared to the same Predecessor period last year, and up 8.6%, or \$59.1 million, for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 compared to the six months ended June 30, 2024, mainly due to the contribution of Queen, offset by negative impacts of severe weather conditions across our portfolio in January and February. The Queen contributed to total revenues in the amounts of \$61.3 million for the Successor three months ended June 30, 2025 and \$96.0 million for the Successor period from February 8, 2025 to June 30, 2025. International interactive revenue was down 10.2%, or \$23.3 million, for the three months ended June 30, 2025 compared to the same Predecessor period last year and down 14.3% for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 compared to the six months ended June 30, 2024, primarily due to the sale of portions of our international interactive business in Asia in the fourth quarter of 2024. North America Interactive segment revenues increased \$10.0 million, or 21.5% for the three months ended June 30, 2025 compared to the same Predecessor period last year and were up 17% or \$14.9 million for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 compared to the six months ended June 30, 2024, mainly due to the expanding iGaming and BallyBet sports presence in addition to our focus on productive marketing and optimizing our cost structure.

Gaming and Non-gaming Expenses

Gaming and non-gaming expenses for the Successor three months ended June 30, 2025 increased 1.8%, or \$5.2 million, from \$284.9 million in the three months ended June 30, 2024 (Predecessor) due to the increase in revenues year over year. Gaming and non-gaming expenses for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 compared to the six months ended June 30, 2024 were relatively flat, decreasing 2.1%, or \$11.9 million, compared to the six months ended June 30, 2024.

General and Administrative

General and Administrative expense for the Successor three months ended June 30, 2025 increased 18.1% or \$45.8 million, from \$252.4 million in the three months ended June 30, 2024 (Predecessor).

General and Administrative expense for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 compared to the Predecessor six months ended June 30, 2024, increased 14.4% or \$72.1 million, from \$500.9 million. These increases in the respective quarter to date and year to date comparable periods were mainly attributable to additional costs for the Queen properties or \$49.5 million and \$76.7 million, respectively and costs incurred in connection with the Merger Agreement, \$4.5 million and \$30.1 million, respectively.

Depreciation and Amortization

Depreciation and Amortization expense for the Successor three months ended June 30, 2025 compared to the Successor three months ended June 30, 2024 decreased \$7.1 million, or 8.9%. Depreciation and Amortization expense for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 decreased \$97.0 million or 40.7% from \$238.5 million for the Predecessor six months ended June 30, 2024. Quarter and year to date changes year over year are primarily due to the closure of our Tropicana Las Vegas property in the first quarter of 2024. The Company recorded \$80.1 million of accelerated depreciation related to the closure in the first quarter of 2024.

Income (Loss) From Operations

The decrease in income (loss) from operations for the Successor three months ended June 30, 2025 and the Predecessor period from January 1, 2025 to February 7, 2025 of \$8.0 million compared to the three months ended June 30, 2024 (Predecessor).

Other Income (Expense)

The \$26.7 million decrease in other expense for the Successor three months ended June 30, 2025 compared to the three months ended June 30, 2024 (Predecessor) was primarily attributable to an increase in interest expense due to higher borrowings and interest rates of our borrowings year-over-year, offset by a \$60.7 million gain related to the fair value of our investment in Intralot. The increase in other expense for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 compared to the Predecessor six months ended June 30, 2024 resulted from increased interest expense, as previously noted, and a \$17.4 million loss on extinguishment of debt, offset by a \$66.3 million gain related to the fair value of our investment in Intralot.

Provision (Benefit) for Income Taxes

During the period from February 8, 2025 to June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the six months ended June 30, 2024 (Predecessor), the Company recorded a provision for income tax of \$88.3 million, \$0.7 million, and \$29.9 million, respectively. The effective tax rate for period from February 8, 2025 to June 30, 2025 (Successor), period from January 1, 2025 to February 7, 2025 (Predecessor), and the six months ended June 30, 2024 (Predecessor) was (83.69)%, (1.32)% and (14.63)%, respectively.

As of June 30, 2025 (Successor), the Company projects an annual tax provision relative to its pre-tax loss in the US due to the valuation allowance on interest, and a tax provision internationally relative to its pre-tax income, which results in a combined -99.0% annual effective tax rate, as the combined pre-tax income by jurisdiction is minimized.

Net Income (Loss) and Earnings (Loss) Per Share

Net loss for the Successor three months ended June 30, 2025 was \$228.4 million compared to \$60.2 million net loss for the Predecessor three months ended June 30, 2024. Net loss for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 was \$244.9 million compared to \$234.1 million in the Predecessor six months ended June 30, 2024. These changes were all primarily attributable to the factors noted above.

Adjusted EBITDA and Adjusted EBITDAR by Segment

Adjusted EBITDA was \$129.2 million for the Successor three months ended June 30, 2025 compared to \$130.1 million for the three months ended June 30, 2024 (Predecessor). Adjusted EBITDA was \$24.4 million for the Predecessor period from January 1, 2025 to February 7, 2025 and \$212.5 million for the Successor period from February 8, 2025 to June 30, 2025 compared to \$130.1 million for the six months ended June 30, 2024 (Predecessor).

Adjusted EBITDAR for the Casinos & Resorts segment was \$106.0 million for the Successor three months ended June 30, 2025 compared to \$99.8 million in the three months ended June 30, 2024 (Predecessor). Adjusted EBITDAR was \$23.6 million for the Predecessor period from January 1, 2025 to February 7, 2025 and \$177.5 million for the Successor period from February 8, 2025 to June 30, 2025 compared to \$189.2 million in the six months ended June 30, 2024 (Predecessor). For the second quarter of 2025 Casino & Resorts improved compared to the same period last year with inclusion of our new Queen properties being partially offset by competitive market conditions most notably in Shreveport, Evansville, and Dover. Overall the competitive headwind is partially mitigated by our continued focus on operational efficiencies.

Adjusted EBITDAR for the International Interactive segment was \$82.2 million for the Successor three months ended June 30, 2025 compared to \$81.3 million for the three months ended June 30, 2024 (Predecessor) and was \$28.9 million for the Predecessor period from January 1, 2025 to February 7, 2025 and \$130.4 million for the Successor period from February 8, 2025 to June 30, 2025 compared to \$164.8 million for the six months ended June 30, 2024 (Predecessor). Improvement in the second quarter 2025 compared to same period last year reflects the new Asia royalty business. Overall, revenue improved with lower expenses that are the result of our continued focus on costs and efficiencies with an improving FX landscape for our European markets.

Adjusted EBITDAR for the North America Interactive segment was \$2.5 million for the Successor three months ended June 30, 2025 compared to Adjusted EBITDAR loss of \$2.2 million in the three months ended June 30, 2024 (Predecessor). Adjusted EBITDAR loss of \$5.7 million for the Predecessor period from January 1, 2025 to February 7, 2025 and Adjusted EBITDAR of \$0.1 million for the Successor period from February 8, 2025 to June 30, 2025 compared to Adjusted EBITDAR loss of \$11.3 million for the six months ended June 30, 2024 (Predecessor). Second quarter 2025 results compared to 2024 improved for the segment with the inclusion of the Queen's sports business coupled with strong top-line growth in our iGaming and on-line sports betting business.

The following table presents segment Adjusted EBITDAR, which is our reportable segment GAAP measure and our primary measure for profit or loss for our reportable segments, and consolidated Adjusted EBITDA. The following table reconciles consolidated Adjusted EBITDA, which is a non-GAAP measure, to net income (loss), as derived from our financial statements (in thousands):

	Successor		Predecessor		
	Three Months Ended June 30, 2025	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
<i>(in thousands)</i>					
Adjusted EBITDAR					
Casinos & Resorts	\$ 105,967	\$ 177,507	\$ 23,554	\$ 99,801	\$ 189,219
International Interactive	82,205	130,400	28,940	81,292	164,824
North America Interactive	2,484	139	(5,661)	(2,196)	(11,310)
Corporate & Other	(17,506)	(27,209)	(6,774)	(17,098)	(32,819)
Total	173,150	280,837	40,059	161,799	309,914
Rent expense associated with triple net operating leases ⁽¹⁾	(43,904)	(68,320)	(15,669)	(31,737)	(63,384)
Adjusted EBITDA	129,246	212,517	24,390	130,062	246,530
Interest expense, net of interest income	(97,522)	(149,259)	(27,229)	(74,200)	(147,331)
Benefit (provision) for income taxes	(185,441)	(88,348)	(664)	1,501	(29,881)
Depreciation and amortization	(71,732)	(119,213)	(22,343)	(78,782)	(238,528)
Non-operating (income) expense ⁽²⁾	60,882	48,628	(3,525)	3,127	2,130
Foreign exchange (loss) gain	(6,538)	(4,947)	194	983	3,799
Transaction costs ⁽³⁾	(36,046)	(43,784)	(5,106)	(6,604)	(12,164)
Restructuring charges ⁽⁴⁾	—	—	—	(376)	(18,989)
Tropicana Las Vegas demolition and closure costs ⁽⁵⁾	(9,698)	(15,629)	(2,605)	(15,557)	(16,021)
Share-based compensation	(2,350)	(5,090)	(1,954)	(4,472)	(7,530)
Impairment charges ⁽⁶⁾	—	—	—	(12,757)	(12,757)
Merger Agreement costs ⁽⁷⁾	(4,546)	(20,421)	(11,233)	(1,219)	(1,989)
Other ⁽⁸⁾	(4,691)	(8,374)	(949)	(1,902)	(1,379)
Net loss	\$ (228,436)	\$ (193,920)	\$ (51,024)	\$ (60,196)	\$ (234,110)

(1) Consists of the operating lease components contained within our triple net leases with GLPI for the real estate assets used in the operations of certain Casinos & Resorts properties, and the triple net lease associated with the real estate and land underlying the operations of the Bally's Lake Tahoe facility.

(2) Non-operating expense, net includes: (i) change in value of performance warrants, (ii) gain (loss) on extinguishment of debt, (iii) non-operating items of equity method investments including our share of net income or loss on an investment and depreciation expense related to our Rhode Island joint venture, and (iv) other (income) expense, net.

(3) Includes acquisition, integration and other transaction related costs, and financing costs incurred in connection with the Company's sale lease-back transactions.

(4) Restructuring charges representing the severance and employee related benefits related to the announced Interactive business restructuring initiatives and the closure of the Company's Tropicana Las Vegas property on April 2, 2024.

(5) Demolition and closure costs associated with the Tropicana Las Vegas property which is part of the plan to redevelop the site with a state-of-the-art integrated resort and ballpark. As part of the binding term sheet, GLPI has reimbursed the Company for its demolition expenses and had increased rent to reflect the additional funding.

(6) Includes impairment charges on long-lived assets in the second quarter of 2024.

(7) Costs incurred in connection with the Company's merger with Standard General.

(8) Other includes the following items: (i) non-routine legal expenses, contract termination charges, and settlement costs for matters outside the normal course of business, (ii) storm related insurance and business interruption recoveries, and (iii) other individually de minimis expenses.

Critical Accounting Estimates

Valuation of Intangible Assets Acquired in Business Combinations

Intangible assets consist primarily of gaming licenses, trade names, developed technology and customer lists which have been obtained through business combinations and internally developed software attributable to our interactive businesses.

Gaming licenses obtained through business combinations are generally recorded at their fair values through purchase accounting using the Greenfield Method under the income approach. This method estimates isolated income that properly attributable to a license based on modeling a hypothetical start-up company going into business without any other assets than the gaming license being valued and building a new casino with similar utility to the existing casino. Using this method, the valuation of the gaming license is dependent upon significant estimates such as projected revenues and cash flows, estimated construction costs, duration of that construction, pre-opening expenses and appropriate discounting. Gaming licenses accounted for as asset acquisitions are valued at cost.

Trade names obtained through business combinations are valued using the relief-from-royalty method under the income approach. This method estimates the cost savings that accrue to the owner of an intangible asset who would otherwise have to pay royalties or license fees on revenues earned through the use of the asset. As such, the value of a trade name acquired through a business combination is dependent upon estimates such as projected revenues, selection of an appropriate hypothetical royalty rate and appropriate discounting.

Developed technology is obtained through business combinations and is recorded at fair value through purchase accounting using the Multi-Period Excess Earnings Method under the income approach. The principle behind this method is that the value of an intangible asset is equal to the present value of the incremental after tax cash flows attributable only to the subject intangible asset after deducting Contributory Asset Charges (“CACs”). The principle behind a CAC is that an intangible asset ‘rents’ or ‘leases’ from a hypothetical third party all the assets it requires to produce the cash flows resulting from its development, that each project rents only those assets it needs and not the ones that it does not need, and that each project pays the owner of the assets a fair return on the value of the rented assets. Under this method, the valuation of developed technology is dependent on estimates such as projected revenues and cash flows, CAC and appropriate discounting.

Certain trade names are considered to be indefinite lived based on future expectations of continuing to brand our corporate name and certain properties under the Bally’s trade name indefinitely. Intangible assets not subject to amortization are reviewed for impairment annually as of October 1 and between annual test dates whenever events or changes in circumstances may indicate that the carrying amount of the related asset may not be recoverable.

For our finite-lived intangible assets, we establish a useful life upon initial recognition based on the period over which the asset is expected to contribute to the future cash flows of the Company and periodically evaluates the remaining useful lives to determine whether events and circumstances warrant a revision to the remaining amortization period. Finite-lived intangible assets are amortized over their remaining useful lives in a pattern in which the economic benefits of the intangible asset are consumed, which is generally on a straight-line basis.

There were no material changes to other critical accounting estimates during the period covered by this Quarterly Report on Form 10-Q. Refer to Item 7 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 for a complete list of our Critical Accounting Estimates.

Recent Accounting Pronouncements

Refer to Note 5 “Recently Issued Accounting Pronouncements” in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements that affect us.

Liquidity and Capital Resources

Overview

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

Cash Flows Summary

	Successor	Predecessor	
	Period from February 8, 2025 to June 30, 2025	Period from January 1, 2025 to February 7, 2025	Six Months Ended June 30, 2024
<i>(in thousands)</i>			
Net cash provided by (used in) operating activities	\$ 58,799	\$ (80,186)	\$ 39,699
Net cash used in investing activities	(163,552)	(17,697)	(87,602)
Net cash provided by financing activities	119,695	97,988	59,802
Effect of foreign currency on cash and cash equivalents and restricted cash	(4,941)	(457)	(2,812)
Net change in cash and cash equivalents and restricted cash	10,001	(352)	9,087
Cash and cash equivalents and restricted cash, beginning of period	230,902	231,254	315,262
Cash and cash equivalents and restricted cash, end of period	\$ 240,903	\$ 230,902	\$ 324,349

Operating Activities

Net cash used in operating activities for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 was \$21.4 million compared to \$39.7 million net cash used in operating activities for the six months ended June 30, 2024 (Predecessor). Both the Successor and Predecessor periods were impacted by net income (loss) positions, depreciation and amortization and changes in working capital. The Successor period also incurred additional debt related costs, \$17.4 million loss on extinguishment of debt and \$35.5 million of amortization of debt discount and debt issuance costs, in connection with the Merger. Net cash used in operating activities for the three months ended June 30, 2024 (Predecessor) was \$39.7 million and was driven by a \$234.1 million net loss in the quarter coupled with \$80.1 million of accelerated depreciation related to our Tropicana Las Vegas assets.

Investing Activities

Net cash used in investing activities for the Successor period from February 8, 2025 to June 30, 2025 of \$163.6 million and the Predecessor period from January 1, 2025 to February 7, 2025 of \$17.7 million, compared to \$87.6 million of cash used in investing for the six months ended June 30, 2025 (Predecessor) was driven by an \$83.7 million loan issuance in connection with our investment in the Star, coupled with an increase in capital expenditures, offset by cash paid for acquisitions, net of cash acquired.

Financing Activities

Net cash provided by financing activities for the Successor period February 8, 2025 to June 30, 2025 and the Predecessor period from January 1, 2025 to February 7, 2025 increased 264.0% or \$157.9 million, from \$59.8 million in the six months ended June 30, 2024 (Predecessor). This increase was mainly attributable to higher net issuance of long-term debt in the Successor period February 8, 2025 to June 30, 2025 and Predecessor period from January 1, 2025 to February 7, 2025 offset by cash paid for the Merger.

Capital Return Program

As of June 30, 2025, there was \$95.5 million available for use under the capital return program, subject to limitations in our regulatory and debt agreements. Future share repurchases may be effected in various ways, which could include open-market or private repurchase transactions, accelerated stock repurchase programs, tender offers or other transactions. The amount, timing and terms of any return of capital transaction will be determined based on prevailing market conditions and other factors. There is no fixed time period to complete share repurchases.

We did not pay cash dividends during the Successor three months ended June 30, 2025, the Predecessor period from January 1, 2025 to February 7, 2025 nor the three months ended June 30, 2024 (Predecessor), nor do we currently intend to pay any dividends on our common stock in the foreseeable future. Any future determinations relating to our dividend policies will be made at the discretion of our Board and will depend on conditions then existing, including our financial condition, results of operations, contractual restrictions, capital and regulatory requirements and other factors our Board may deem relevant.

Debt and Lease Obligations

Unsecured Notes

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

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

2028 Notes

In connection with the closing of the Merger on February 7, 2025, we entered into a note purchase agreement and issued \$500 million in aggregate principal amount of first lien senior secured notes due October 2, 2028, at an annual interest rate of 11%, payable quarterly. These notes are guaranteed by our restricted subsidiaries and secured by the same collateral securing the Credit Facility. The agreement mandates redemption offers in certain situations, such as asset sales and unpermitted debt issuances, with specific redemption premiums applicable within the first two years. After two years, notes can be redeemed at par. The agreement also includes covenants limiting additional indebtedness, dividend payments, asset sales, investments, and liens, subject to certain exceptions and qualifications.

Credit Facility

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

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

The credit facilities contain covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends or make certain other restricted payments, sell assets, make certain investments, and grant liens. These covenants are subject to exceptions and qualifications set forth in the Credit Agreement. The Revolving Credit Facility also includes certain financial covenants the Company is required to maintain throughout the term of the credit facility. These financial covenants include a provision where, in the event borrowings under the Revolving Credit Facility exceed 30% of the total revolving commitment, the Company is required to maintain a first lien secured indebtedness to Adjusted EBITDA ratio of 5.00 to 1.00. As of June 30, 2025, the Company was in compliance with all applicable covenants.

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

During 2024, the Company settled \$500.0 million of notional interest rate collars and received \$3.9 million in termination payments, reflecting the fair value on the settlement date. Additionally, the Company simultaneously entered into a series of interest rate contracts in a notional aggregate amount of \$1.00 billion, to further manage the Company's exposure to interest rate movements associated with the Company's variable rate Term Loan Facility through its synthetic conversion to fixed rate debt. The tenor of these contracts were matched with the maturity of the Term Loan Facility tranche maturing on October 1, 2028.

Refer to Note 11 "Derivative Instruments" and Note 15 "Long-Term Debt" in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information.

Operating Leases

The Company is committed under various operating lease agreements for real estate and property used in operations. Minimum rent payable under operating leases was \$5.23 billion as of June 30, 2025, of which \$121.5 million is due within the current year. Refer to Note 16 "Leases" in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information.

GLPI Leases

As of June 30, 2025 (Successor), the Company leases certain properties from GLPI under two separate master lease agreements, the "Master Lease," and the "Master Lease No. 2." The Company's Bally's Evansville, Bally's Dover, Bally's Quad Cities, Bally's Black Hawk, Bally's Tiverton and Hard Rock Biloxi properties are leased under the terms of the "Master Lease" which requires combined initial minimum annual payments of \$101.5 million. The Company's Bally's Kansas City and Bally's Shreveport properties are leased under the terms of the "Master Lease No. 2" which requires combined initial minimum annual payments of \$32.2 million. Both leases have an initial term of 15 years and include four, five-year options to renew and are subject to a minimum 1% annual escalation or greater escalation dependent on CPI.

Following the Merger, the Company also has a master lease agreement through Queen with GLPI, the "Queen Master Lease", with The Queen Baton Rouge, The Belle of Baton Rouge, Casino Queen Marquette and DraftKings at Casino Queen properties being leased under the terms of the Queen Master Lease, which requires combined initial minimum annual payments of \$31.7 million. The Queen Master Lease has an initial term of 15 years and include four, five-year options to renew and is subject to annual escalation.

In addition to the properties under the master leases explained above, the Company also entered into a lease with GLPI for the land associated with Tropicana Las Vegas. This lease has an initial term of 50 years, with the possibility of extending up to 99 years through renewal options, and requires initial minimum annual payments of \$10.5 million, subject to minimum 1% annual escalation or greater escalation dependent on CPI. In 2024, the Company modified the lease and GLPI paid \$48.6 million to the Company to fund the demolition of the building at the Tropicana Las Vegas site in exchange for increasing initial annual payments by \$4.1 million, subject to a minimum 1% annual increase or greater based on CPI, for a total modified initial minimum annual payment of \$14.6 million.

On July 17, 2025, the Company entered into the Chicago MLA, as described in Note 16 “Leases”, with GLP, that amended the existing ground lease for the property on which the Company plans to develop its Permanent Facility and a development agreement with GLP pursuant to which GLP has committed to advance up to \$940 million for the payment of hard costs used to construct the Permanent Facility in exchange for increasing the amount of rent payable to GLP under the Chicago MLA.

The Chicago MLA has an initial term of 15 years and includes four, five-year options to renew and is subject to annual escalation. Annual rent under the Chicago MLA is \$20 million, with additional rent equal to 8.5% of the GLP Development Advances that granted to the Company. The amended and restated ground lease will be accounted for as a lease modification event in the third quarter of 2025. The Company expects to begin drawing on the advance under the Chicago Development Agreement and thus incurring increased rent in the third quarter of 2025.

Capital Expenditures

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

Capital expenditures for the Predecessor period from January 1, 2025 to February 7, 2025 and the Successor period from February 8, 2025 to June 30, 2025 were \$95.8 million compared to \$63.8 million for the Predecessor six months ended June 30, 2025. For the Successor period from February 8, 2025 to June 30, 2025 and the Predecessor Period from January 1, 2025 to February 7, 2025, we continued our spending on our planned projects and maintenance at our casino properties, the most significant being our future Bally’s Chicago permanent facility.

Bally’s Twin River - In connection with our partnership with IGT, we have committed to invest \$100 million in Bally’s Twin River over the term of our master contract, ending in 2043, with Rhode Island to expand the property and add additional amenities along with other capital improvements. As a major component of this, we have constructed and opened a 14,000 square foot Korean-style spa, and a 40,000 square foot casino expansion, both of which opened in the first half of 2023. Approximately \$42.0 million of the committed investment remains as of June 30, 2025.

Bally’s Chicago - On June 9, 2022, a wholly-owned indirect subsidiary of the Company, Bally’s Chicago Operating Company, LLC (the “Developer”), signed a host community agreement with the City of Chicago to develop a destination casino resort, to be named Bally’s Chicago, in downtown Chicago, Illinois that will include approximately 3,400 slot machines, 170 table games, 10 food and beverage venues, 500 hotel rooms, a 65,000 square foot entertainment and event center, 20,000 square feet of exhibition space, 3,300 parking spaces and an outdoor green space. The project also provides the Company with the exclusive right to operate a temporary casino for up to three years while the permanent casino resort is constructed. The temporary casino commenced operations on September 9, 2023 at the Medinah Temple and includes approximately 800 gaming positions and 3 food and beverage venues. In 2024, we spent approximately \$133.6 million related to the construction and development of our permanent casino and resort, which is expected to open to the public in 2026. We expect future funding of the permanent casino construction to be primarily financed through the GPLI agreement noted above.

In connection with the entry into the host community agreement with the City of Chicago, the Company will be required to pay annual fixed host community impact fees of \$4.0 million. Additionally, in connection with the host community agreement, the Company provided the City of Chicago with a performance guaranty whereby the Company agreed to have and maintain available financial resources in an amount reasonably sufficient to allow the Developer to complete its obligations under the host community agreement. In addition, upon notice from the City of Chicago that the Developer has failed to perform various obligations under the host community agreement, the Company has indemnified the City of Chicago against any and all liability, claim or reasonable and documented expense the City of Chicago may suffer or incur by reason of any nonperformance of any of the Developer’s obligations.

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

Other Contractual Obligations

Sponsorship Commitments - The Company has entered into several sponsorship agreements with various professional sports leagues and teams, allowing the Company use of official league marks for branding and promotions, among other rights. As of June 30, 2025, obligations related to these agreements were \$114.3 million, with contracts extending through 2036.

Interactive Technology Partnerships - The Company has certain multi-year agreements with its various market access and content providers, as well as its online sports betting platform partners, that require the Company to pay variable fees based on revenue, with minimum annual guarantees. As of June 30, 2025, the cumulative minimum obligation committed in these agreements is approximately \$37.6 million, extending through 2029.

Other

As of June 30, 2025, the net aggregate available amount of capacity under the Shared Cap (as defined in the Note Purchase Agreement) was approximately \$43 million, including the impact of \$83 million used to fund the investment in The Star Entertainment Group Limited. We reached a definitive agreement with GLPI on finalizing the Chicago Development Agreement in July 2025 and have invoiced GLPI for reimbursement for \$53M funds advanced by Bally's for hard costs for the Chicago development project that Bally's expects to be repaid this amount in the third quarter of 2025 to increase the Shared Cap available. The Development Agreement contemplates that construction funding for the Chicago development project will be primarily funded by GLPI until the full \$940 million commitment amount is utilized.

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 and foreign currency exchange rates. We are exposed to changes in interest rates primarily from variable rate long-term debt arrangements and foreign currency risk attributable to our operations outside of the US. Inflation generally affects us by increasing our cost of labor. Bally's does not believe that inflation had a material effect on our business, financial condition or results of operations during the three months ended June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the three months ended June 30, 2024 (Predecessor).

Interest Rate Risk

As of June 30, 2025 (Successor), interest on borrowings under our credit facility was subject to fluctuation based on changes in short-term interest rates. On June 30, 2025 (Successor), we had \$2.13 billion of variable rate debt outstanding under our Term Loan and Revolving Credit Facilities and \$1.99 billion of unsecured senior notes. Based upon a sensitivity analysis of our debt levels on June 30, 2025 (Successor), a hypothetical increase of 1% in the effective interest rate would cause an increase in interest expense of approximately \$21.3 million over the next twelve months while a decrease of 1% in the effective interest rate, not to exceed the interest rate floor, would cause a decrease in interest expense of approximately \$21.3 million over the same period.

We evaluate our exposure to market risk by monitoring interest rates in the marketplace and we have utilized derivative financial instruments to help manage this risk. As part of the Company's risk management and hedging program, the Company utilizes interest rate swaps and collars used to hedge and offset, respectively, the variable interest rates on the credit facility as described in Note 11, "Derivative Instruments" to our condensed consolidated financial statements presented in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We have not historically utilized derivative financial instruments for trading purposes. We do not believe that fluctuations in interest rates had a material effect on our business, financial condition or results of operations during the three months ended June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor), and the three months ended June 30, 2024 (Predecessor).

Foreign Currency Risk

We are exposed to fluctuations in currency exchange rates as a result of our net investments and operations in countries other than the US. A vast majority of our revenues are from the UK market and are conducted in British Pound Sterling (“GBP”) and are therefore susceptible to any movements in exchange rates between the GBP and US Dollar. Foreign currency transaction losses for the three months ended June 30, 2025 (Successor), the period from January 1, 2025 to February 7, 2025 (Predecessor) and the three months ended June 30, 2024 (Predecessor) were \$6.5 million, \$0.2 million and \$1.0 million, respectively. Movements in currency exchange rates could impact the translation of assets and liabilities of these foreign operations which are translated at the exchange rate in effect on the balance sheet date. We have utilized operational hedges or forward currency exchange rate contracts, as well as derivative financial instruments, such as cross currency swaps, to manage the impact of currency exchange rate fluctuations on earnings and cash flows.

ITEM 4. CONTROLS AND PROCEDURES

Management’s Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer (principal executive officer) and chief financial officer (principal financial officer), conducted an evaluation of the effectiveness of our disclosure controls and procedures for the reporting period ended June 30, 2025 as such terms is defined in Rule 13a-15(f) under the Exchange Act. Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, the Company’s disclosure controls and procedures were not effective due to a material weakness in the Company’s internal control over financial reporting as previously disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Ongoing Remediation of Previously Identified Material Weakness

We lack segregation of duties over the preparation, review, and recording of journal entries within our International Interactive reportable segment. The failure to maintain appropriate segregation of duties has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures within the International Interactive reportable segment. This material weakness was originally identified as of December 31, 2023 and was not remediated as of December 31, 2024.

During 2024, Management developed and implemented incremental or enhanced controls to remediate the material weakness, including educating control owners within our International Interactive reportable segment of the appropriate design elements of journal entry controls, enhancing our policy around documented approvals of journal entries, and implementing a monitoring control over journal entries. However, controls over certain journal entries were not designed effectively and others were determined not to be operating effectively as of December 31, 2024. Management remains focused on designing and implementing effective measures to improve our internal controls over financial reporting and remediate the material weakness.

In order to remediate this material weakness, management has taken or plans to take the following actions:

- Continuing to educate control owners within the International Interactive reportable segment of the appropriate design elements of journal entry controls and enforcing policies requiring independent preparers and reviewers.
- In the first quarter, of 2025, implemented a new enterprise resource planning (“ERP”) system, which we believe will enhance the flow of financial information, improve data management and control and will enable us to remediate segregation of duties over journal entries by systematically requiring an independent preparer and reviewer of each journal entry. As a result of this implementation, the Company modified certain existing internal controls over financial reporting and implemented new controls and procedures related to the new ERP system.
- Hired an international consulting firm to assist in the design and implementation of controls in connection with the newly implemented ERP system.

While we believe our remediation efforts above will improve the effectiveness of our internal control over financial reporting, we cannot assure that the measures will be sufficient to remediate the material weakness we have identified or will prevent potential future material weaknesses. The material weakness cannot be considered remediated until applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Accordingly, we will continue to monitor and evaluate the effectiveness of our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

The Company completed the Merger with Queen on February 7, 2025. See Note 1 “General Information” and Note 7 “Business Combinations” included in Part I. Item 1 of this Quarterly Report on Form 10-Q for a discussion of the Merger and related financial data. The Company is currently in the process of integrating the Queen’s internal controls over financial reporting.

As noted above, during the quarter ended March 31, 2025, the Company completed implementation and began using a new ERP system, which replaced its pre-existing operational and financial system. As a result of this implementation, the Company continued to modified certain existing internal controls over financial reporting and implemented new controls and procedures related to the new ERP system in the second quarter of 2025.

There have been no other changes in our internal control over financial reporting that occurred during the second quarter of 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors contained in Part I. Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2025, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement,” as defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description
10.1*	<u>Subscription Agreement, dated as of May 23, 2025, by and among the Company and The Star Entertainment Group Limited</u>
10.2*	<u>Subordination Deed Poll, dated as of May 23, 2025, by and among the Company and The Star Entertainment Group Limited</u>
31.1*	<u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1*	<u>Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2*	<u>Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from Bally's Corporation's Quarterly report on Form 10-Q for the quarter ended June 30, 2025, formatted in inline XBRL contained in Exhibit 101

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on August 11, 2025.

BALLY'S CORPORATION

By: /s/ VLADIMIRA MIRCHEVA

Vladimira Mircheva

Chief Financial Officer

(Principal Financial and Accounting Officer)

/s/ ROBESON M. REEVES

Robeson M. Reeves

Chief Executive Officer

(Principal Executive Officer)

Bally's Corporation
The Star Entertainment Group Limited
Subscription Agreement

Execution Version

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Schedule 1 Deed Poll

This Agreement is made on

Parties

- 1 **The Star Entertainment Group Limited** (ACN 149 629 023) (the ***Issuer***).
- 2 **Bally's Corporation** (the ***Subscriber***).

Recitals

- A The Issuer and the Subscriber entered into the Term Sheet on 7 April 2025.
- B The Issuer has issued the Tranche 1A Convertible Notes to the Subscriber pursuant to the Term Sheet for the Tranche 1A Subscription Amount.
- C The Subscriber has lent the Subordinated Debt Amount to the Issuer on a direct, unsecured, unconditional and non-convertible basis, subordinated to the Senior Facility Agreement in accordance with the Subordination Deed and otherwise subject to the terms and conditions of the Term Sheet.
- D The Issuer has agreed to issue the Tranche 2 Convertible Notes subject to satisfaction of the conditions precedent set out in the Term Sheet which conditions precedent include entry into the 'Long Form Agreements' contemplated in the Term Sheet.
- E The Issuer and the Subscriber have agreed to enter into this Agreement and the Issuer has agreed to execute the Deed Poll as the 'Long Form Agreements' contemplated by the Term Sheet with the intention that this Agreement and the Deed Poll supersede the Term Sheet and that the Subordinated Debt Amount will be governed by the Sub Debt Instrument.
- F The Convertible Notes will be convertible into fully paid ordinary shares of the Issuer subject to, and in accordance with, the Terms and Conditions set out in the Schedule to the Deed Poll.
- G The Subscriber has agreed to subscribe for, and the Issuer has agreed to issue, the Tranche 2 Convertible Notes on and subject to the terms and conditions of this Agreement.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply, in addition to terms defined elsewhere in this Agreement (if any).

Accounting Standards means, at any time:

- (a) the requirements of the Corporations Act about the preparation and contents of the financial reports;
- (b) the accounting standards approved under the Corporations Act; and
- (c) generally adopted accounting principles, policies and practices and procedures in Australia to the extent not inconsistent with the accounting standards described in paragraph (b).

Amount Owed means, in respect of the Sub Debt Instrument at any time, 100% of the Principal Outstanding at that time, plus any accrued and unpaid interest in respect of the Sub Debt Instrument at that time (for the avoidance of doubt, including any PIK Liability then outstanding).

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning as set out in section 12 of the Corporations Act and **Association** has a corresponding meaning.

ASX means ASX Limited and, as the context requires, the market operated by it.

AUSTRAC means the Australian Transaction Reports and Analysis Centre.

Board means the Board of Directors of the Issuer.

Business Day means a weekday on which banks are open in New South Wales, Australia.

Change of Control means, in respect of the Issuer, where a person (together with its Associates), other than the Subscriber and its Associates, acquires or holds a Relevant Interest in more than 50% of the Shares in the Issuer (excluding any Relevant Interests under conditional contracts).

Claim includes a claim, notice, demand, action, proceeding, litigation, investigation, judgment, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute or otherwise, and whether involving a third party or a party to this Agreement, that in any way relates to the Term Sheet, this Agreement, the Deed Poll or the transactions contemplated by them.

Competing Proposal means any actual or proposed proposal, offer, expression of interest, agreement, arrangement or transaction which, if entered into, implemented, consummated or completed substantially in accordance with its terms, would result in a person (other than the Subscriber and its Associates) whether alone or together with its Associates directly or indirectly:

- (a) acquiring control of the Issuer or any other member of the Issuer Group within the meaning of section 50AA of the Corporations Act;
- (b) acquiring, obtaining a right to acquire, or otherwise obtaining a legal, beneficial or economic interest in, or control of 50% or more:
 - (i) of a substantial part or a material part of the assets of; or
 - (ii) by value of any business conducted by,the Issuer Group or of any member of the Issuer Group;
- (c) acquiring or merging with the Issuer or any other member of the Issuer Group; or
- (d) otherwise requiring or causing the Issuer to abandon or otherwise not to proceed with the transactions contemplated by this Agreement or any Director not providing its Recommendation or Voting Intention in respect of the transactions contemplated by this Agreement,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignments of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement recapitalisation, refinancing or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of a Competing Proposal will constitute a new Competing Proposal.

Condition Precedent means a condition precedent in clause 4.1.

Constitution means the constitution of the Issuer, as amended from time to time.

Conversion Shares means Shares issued upon the conversion of Convertible Notes.

Convertible Notes means:

- (a) the Tranche 1A Convertible Notes; and
- (b) the Tranche 2 Convertible Notes,

in each case, issued or to be issued by the Issuer in accordance with this Agreement, the terms of which are set out in the Terms and Conditions, and Convertible Note means any or each of those (as the context requires).

Convertible Notes Register has the meaning given in the Terms and Conditions.

Corporations Act means the *Corporations Act 2001* (Cth), as amended or relieved by any ASIC corporations instrument, class order or any other instrument.

Coupon Rate means 9.00% per annum.

Cure Date has the meaning given to that expression in clause 10.2.

DBC Exit Proposal means the proposed transactions contemplated by the binding heads of agreement between the Issuer, Chow Tai Fook Enterprises Limited and Far East Consortium International Limited on substantially the terms announced by the Issuer to the ASX on 7 March 2025 in the ASX announcement entitled 'Agreement to Exit Destination Brisbane Consortium and Consolidate The Star's position at the Gold Coast'.

Deed Poll means the deed poll set out in Schedule 1.

Default Interest Rate means 2.00% per annum.

Delisting means the Issuer ceases to be listed on ASX or the Shares cease (on a permanent basis) to be quoted or admitted to trading status on the ASX, other than following a Change of Control where the proponent of the Change of Control or one or more of its Associates acquires or holds a Relevant Interest in 100% of the Shares in the Issuer.

Director means a director of the Issuer.

Disclosure Material means the written information provided by or on behalf of the Issuer Group to the Subscriber prior to the date of this Agreement.

Event of Default has the meaning given in clause 10.1.

Fairly Disclosed means in relation to a fact, matter, event or circumstance, such fact, matter, event or circumstance being accurately disclosed in sufficient detail and to a sufficient extent to enable a reasonable and sophisticated person experienced in transactions of the kind the subject of this Agreement, to identify or otherwise be aware of the nature, scope and potential impact of the relevant fact, matter, event, or circumstance.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB means the Australian Foreign Investment Review Board.

Forward Looking Information means any projections, forecasts, statements, estimates, budgets, financial models, business plans or opinions with respect to the anticipated future performance of the Issuer Group expressly set out in the the 15 month liquidity scenario documents dated 2 April 2025 and 6 April 2025.

General Meeting means the general meeting of Shareholders to be held on or around 30 June 2025 but not later than 7 September 2025 for the purpose of considering the General Meeting Resolutions.

General Meeting Resolutions means the resolutions of Shareholders to approve the issue of the Tranche 2 Convertible Notes to the Subscriber and for conversion of the Convertible Notes into Conversion Shares, including for the purposes of, and under, section 611 item 7 of the Corporations Act and the Listing Rules.

Governmental Agency means any Australian or foreign government or a governmental, semi-governmental or judicial entity or authority. It also includes the NICC, OLGR, AUSTRAC, Australian Taxation Office, FIRB and ASIC, as well as any self-regulatory organisation established under statute or a stock exchange (including the ASX) and equivalent bodies in jurisdictions outside Australia.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Independent Expert means an independent expert to be engaged by Issuer.

Independent Expert's Report means the report from the Independent Expert commissioned by the Issuer, which includes a statement by the Independent Expert on whether, in its opinion, the issue of the Tranche 2 Convertible Notes to the Subscriber and the conversion of the Convertible Notes into Conversion Shares is 'fair and reasonable' or 'not fair, but reasonable' and includes any update, revision or amendment of that report by the Independent Expert.

Inside Information has the meaning set out in section 1042A of the Corporations Act.

A person is **Insolvent**:

(a) for the purposes of clauses 8.1(b) and 8.2(b), if:

- (i) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (ii) it has had a controller (as defined in the Corporations Act) or trustee appointed to any part of its property;
- (iii) it is in liquidation or provisional liquidation;
- (iv) it is under administration or has been wound up;
- (v) an application or order has been made (and in the case of an application which is disputed by the person, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of the things described in any of the above paragraphs;
- (vi) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (vii) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this Agreement reasonably deduces it is so subject);
- (viii) it suspends payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent;
- (ix) it is otherwise unable to pay its debts when they fall due;
- (x) a court or other authority enforcing any judgement or order against the person for the payment of money or the recovery of any property; or
- (xi) something having a substantially similar effect to any of the things described in the above paragraphs happens in connection with that person under the law of any jurisdiction; or

- (b) for the purposes of clause 10.1(c), if:
- (i) it has had a controller (as defined in the Corporations Act) or trustee appointed;
 - (ii) it is in liquidation or provisional liquidation; or
 - (iii) it is under administration or has been wound up.

Interest Payment Date has the meaning given in clause 7.4(b).

Interest Period means, in respect of the Sub Debt Instrument:

- (a) in relation to the first Interest Period, the period from (and including) the Tranche 1A Issue Date to (but excluding) the first Interest Payment Date; and
- (b) in relation to each subsequent Interest Period, the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the next Interest Payment Date.

Issue Date means, in respect of a Convertible Note, the date on which that Convertible Note is issued.

Issuer Group means the Issuer and its Subsidiaries, and **Issuer Group Member** means any of them.

Issuer Warranties means the warranties given by the Issuer pursuant to clause 8.1.

Law means the following in force from time to time:

- (a) statutes, regulations, by-laws, ordinances, subordinate legislation and any policy enforceable under legislation;
- (b) the Listing Rules;
- (c) directions, requirements or guidelines of any Governmental Agency, including statutory instruments drafted by local governments, with which the Issuer or the Subscriber is legally required to comply; and
- (d) common law.

Liquidity Scenario Document means the 'Liquidity Scenario Document' dated 6 April 2025, as referred to in the Term Sheet, until such time as the parties (working together in good faith) have agreed another document to be the 'Liquidity Scenario Document' for the purposes of this Agreement.

Listing Rules means the listing rules of the ASX, as amended from time to time.

Material Operating Agreement means any contract, agreement, arrangement or commitment (or a series of related contracts, agreements, arrangements or commitments) relating to the ordinary course operations of the Issuer Group to which a member of the Issuer Group would become a party (including as amended, varied, modified, extended or restated from time to time).

Maturity Date means 2 July 2029.

NDA means the non-disclosure agreement entered into between the Subscriber and the Issuer dated 22 April 2025.

Net Tranche 2 Subscription Amount has the meaning given to that expression (as relevant) in clause 5.1(b) or clause 7.3.

NICC means the New South Wales Independent Casino Commission.

Noteholder means, in relation to a Convertible Note, the person who holds that Convertible Note, a successor or assignee of the Noteholder and, as the case may be, its liquidator(s).

OLGR means the Queensland Office of Liquor and Gaming Regulation.

Other Investor means Investment Holdings Pty Ltd (ACN 006 336 303) as trustee for the BMG Discretionary Trust.

Other Investor Cancellation Event has the meaning given in clause 5.5(b).

Other Investor Cancellation Notice has the meaning given in clause 5.5(c).

Other Investor Non-Payment Notice means a 'Non Payment Notice' (as defined in the Other Investor Subscription Agreement) specifying that the Issuer is no longer obliged to issue any further Other Investor Notes to the Other Investor, and that the Other Investor can no longer increase the principal amount of the Other Investor Sub Debt Instrument in accordance with the Other Investor Subscription Agreement.

Other Investor Notes has the meaning given in clause 5.5(a).

Other Investor Sub Debt Instrument has the meaning given in clause 5.5(a).

Other Investor Subscription Agreement has the meaning given in clause 5.5(a).

Permitted Material Operating Agreement means any Material Operating Agreement that:

- (a) will or is reasonably expected to result in annual aggregate expenditure of an amount less than \$5,000,000;
- (b) is for a term or contract period of 3 years or less (and contracts, agreements, arrangements or commitments with no stated term or contract period are presumed to have a term or contract period in excess of 3 years); and
- (c) is on arm's length, commercial terms and entered into in the ordinary course operations of the Issuer Group

PIK Liability has the meaning given in clause 7.5(a)(ii).

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPS Register means the register established under the PPSA.

Prescribed Redemption Event means, in respect of the Sub Debt Instrument, any of the following events:

- (a) a Change of Control occurs; or
- (b) a Delisting occurs.

Principal Outstanding means at any time the aggregate principal amount outstanding under the Sub Debt Instrument at that time (excluding, for the avoidance of doubt, any PIK Liability).

Proceeding means any cause of action, legal action, investigation, dispute, claim, proceeding, suit, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation, ruling, judgement, order, declaration of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Recommendation has the meaning given to that expression in clause 4.5(b)(i).

Regulatory Approvals has the meaning given to that expression in clause 7.3.

Related Body Corporate has the meaning given to that term in the Corporations Act, and **Related Bodies Corporate** means more than one of them.

Relevant Court means the:

- (a) High Court of Australia;
- (b) Federal Court of Australia & Federal Circuit Court of Australia;

- (c) Supreme Court of New South Wales;
- (d) Land and Environment Court of New South Wales; and
- (e) Supreme & District Courts of Queensland.

Relevant Interest has the meaning given to that expression in sections 608 and 609 of the Corporations Act.

Representatives means the directors, officers, employees, agents or advisers including, without limitation, attorneys, accountants, consultants and financial advisers of a party.

Senior Agent means Global Loan Agency Services Australia Pty Ltd (ACN 608 829 303).

Senior Facility Agreement means the document entitled 'Syndicated Facility Agreement – Project Pirrama' dated 8 November 2023 between, among others, the Issuer and the Senior Agent, as amended from time to time.

Senior Facility Default means an 'Event of Default' or 'Potential Event of Default' under and as defined in the Senior Facility Agreement.

Senior Finance Parties means the Senior Agent, the Senior Security Trustee and each Senior Lender.

Senior Lender means each 'Lender' (from time to time and as defined under the Senior Facility Agreement).

Senior Security Trustee means Global Loan Agency Services Australia Nominees Pty Ltd (ACN 608 945 008).

Share means a fully paid ordinary share in the capital of the Issuer.

Shareholder means a person who is registered as the holder of one or more Shares.

Shareholder Approval has the meaning given in clause 4.1(a).

Specified Persons has the meaning given to that expression in clause 8.3(b).

Sub Debt Instrument means the subordinated loan facility provided by the Subscriber to the Issuer as set out in clause 7 of this Agreement.

Sub Debt Undertakings means, as the context requires, the undertakings in clauses 9.2 and 9.3 of this Agreement.

Subordinated Debt Amount means \$44,385,237.87.

Subordination Deed means the subordination deed poll entered into by the Subscriber and the Issuer on or around the date of this Agreement.

Subscriber Deal Team means each of those employees of the Subscriber agreed between the Subscriber and the Issuer in writing prior to the date of this Agreement.

Subscriber Information has the meaning given to that expression in clause 4.5(d)(i).

Subscriber Warranties means the warranties given by the Subscriber pursuant to clause 8.2.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is controlled by that entity (as 'control' is defined in section 50AA of the Corporations Act) and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and

- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity,

and provided further that no Issuer Group Member will be a Subsidiary of the Subscriber and Subsidiaries means more than one of them.

Superior Proposal means a genuine Competing Proposal that is received by the Issuer and that the Board determines, acting reasonably and in good faith and having regard to its fiduciary or statutory duties (after obtaining written legal advice from its external Australian legal adviser practicing in the area of corporate law and written advice from its external financial adviser):

- (a) is reasonably capable of being valued and completed; and
- (b) would, if completed in accordance with the terms of the Competing Proposal, be a transaction more favourable to the Issuer's shareholders than the transactions contemplated by this Agreement,

in each case, after having taken into account all aspects of the Competing Proposal, including the identity, reputation and financial condition of the proponent of the Competing Proposal, the consideration (including on a time value of money basis) and form of consideration offered, the conditionality (including in relation to regulatory approvals), funding, certainty and timing of the Competing Proposal, all other relevant legal, financial, regulatory and other aspects of, and considerations relating to, the Competing Proposal and any other matters affecting the probability of the Competing Proposal being implemented in accordance with the terms of the Competing Proposal.

Tax means any tax, levy, impost, duty assessment or governmental charge of any kind imposed, levied, collected, withheld or assessed by or on behalf of an Governmental Agency (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Conditions means the 'example' tax conditions in the form published by or on behalf of FIRB as set out in section D of version 4 of FIRB's Guidance Note 12 on 'Tax Conditions' in the form last updated on 14 March 2025.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under the Sub Debt Instrument, a Convertible Note or this Agreement.

Term Sheet means the binding term sheet entitled 'AUD 300,000,000 Subordinated Debt and Convertible Notes' entered into by the Issuer and the Subscriber on 7 April 2025.

Terms and Conditions means the terms and conditions attaching to the Convertible Notes as set out in the Schedule to the Deed Poll.

Trading Day has the meaning given to that term in the Listing Rules.

Tranche 1A Convertible Notes means 278,517,860 notes convertible into 278,517,860 Conversion Shares which were issued by the Issuer to the Subscriber on the Tranche 1A Issue Date, subject to any adjustment under the Terms and Conditions.

Tranche 1A Default means an 'Event of Default' under and as defined in the Terms and Conditions.

Tranche 1A Issue Date means 11 April 2025.

Tranche 1A Nominee Holder means Bally's Star Holdings, LLC.

Tranche 1A Subscription Amount means \$22,281,428.80.

Tranche 1B Convertible Notes means the 139,258,930 'Tranche 1B' convertible notes issued by the Issuer to the Other Investor on 11 April 2025.

Tranche 2 Convertible Notes means:

- (a) if an Other Investor Cancellation Event has occurred and the Issuer has provided the Subscriber with an Other Investor Cancellation Notice, 3,054,815,473 notes convertible into 3,054,815,473 Conversion Shares; or
 - (b) otherwise, 2,221,482,140 notes convertible into 2,221,482,140 Conversion Shares,
- to be issued in accordance with clause 5, subject to any adjustment under the Terms and Conditions.

Tranche 2 Issue Date means:

- (a) the date being 5 Business Days after the Conditions Precedent in clauses 4.1(a), 4.1(b), 4.1(c), 4.1(d) and 4.1(e) have been satisfied or waived to the extent and in accordance with clause 4 provided that the Condition Precedent in clause 4.1(f) as at 5pm on the day immediately prior to that date has been satisfied or waived; or
- (b) such other date agreed in writing by the Issuer and the Subscriber.

Tranche 2 Nominee Holder has the meaning given to that expression in clause 5.4(b).

Tranche 2 Subscription Amount means:

- (a) if an Other Investor Cancellation Event has occurred and the Issuer has provided the Subscriber with an Other Investor Cancellation Notice, \$244,385,237.87; or
- (b) otherwise, \$177,718,571.20.

Voluntary Secured Lender Action means any one or more of the following:

- (a) amending, extending, renewing, novating, replacing, supplementing or otherwise varying (including granting any waiver in relation to), the Senior Facility Agreement, or creating any new secured facilities;
- (b) increasing the principal amount of the facilities available or permitted to be outstanding under the Senior Facility Agreement;
- (c) shortening the time for payment of a principal amount of the facilities under the Senior Facility Agreement;
- (d) extending the maturity date for all or any part of the facilities under the Senior Facility Agreement;
- (e) increasing the applicable margins or line fees (or the frequency of payment of interest or line fees), or any line fees, in respect of the facilities under the Senior Facility Agreement (other than as a result of selection of interest periods in accordance with the Senior Facility Agreement);
- (f) increasing default interest or other amounts payable only on the occurrence of or after an event of default or default (however described) under the Senior Facility Agreement;
- (g) rendering any financial covenant under the Senior Facility Agreement more onerous than as at the date of the Term Sheet;
- (h) varying the obligations of an Issuer Group Member under the Senior Facility Agreement such that the relevant Issuer Group Member becomes subject to materially more onerous obligations than the obligations under the Senior Facility Agreement as at the date of the Term Sheet; and
- (i) varying any definitions in the Senior Facility Agreement to the extent the changes would result in any event or circumstance in paragraphs (a) to (h) above occurring.

Voting Intention has the meaning given to that expression in clause 4.5(b)(ii).

VWAP means in respect of a Share on any Trading Day the volume-weighted average price on ASX on such Trading Day published by or derived from Bloomberg page SGR AU Equity HP (setting Weighted Average Line and using values not adjusted for any event occurring after such Trading Day, and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page switched off) for such Share.

Warranties means the Issuer Warranties and the Subscriber Warranties.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) Nothing in this Agreement is to be interpreted against a party solely on the ground that the party put forward this Agreement or a relevant part of it.
- (d) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause, Schedule or Annexure is a reference to a clause of, or Schedule or Annexure to, this Agreement unless otherwise indicated.
 - (vi) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Agreement or any part of it.
 - (xi) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
 - (xii) A reference to an *agreement* includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to

a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.

- (xiii) A reference to *dollars* or \$ is to Australian currency.
- (xiv) A reference to time is to Sydney, New South Wales, Australia time.

2 Agreement of Subscriber and Issuer

The Subscriber agrees to subscribe for the Tranche 2 Convertible Notes and that the provision of the Subordinated Debt Amount will be governed by the terms of the Sub Debt Instrument subject to the terms of this Agreement and the Subordination Deed.

3 Terms and Conditions of Convertible Notes

- (a) This Agreement supersedes all previous agreements or understandings between the Issuer and the Subscriber, including, for the avoidance of doubt, the Term Sheet.
- (b) The Issuer will issue the Tranche 2 Convertible Notes in accordance with this Agreement and on the Terms and Conditions.
- (c) The Subscriber and the Issuer acknowledge and agree that, notwithstanding that the Tranche 1A Convertible Notes were issued prior to the date of this Agreement and the Tranche 1A Subscription Amount was paid by the Subscriber to the Issuer prior to the date of this Agreement, the Tranche 1A Convertible Notes are subject to the terms of this Agreement and the Terms and Conditions. For the avoidance of doubt, this clause 3(c) applies on and from the Tranche 1A Issue Date.

4 Conditions Precedent to Tranche 2 Convertible Notes

4.1 Conditions Precedent

The Subscriber will not be obliged to subscribe for, and the Issuer shall not be obliged to create or issue, the Tranche 2 Convertible Notes in accordance with clause 5 unless each of the following Conditions Precedent are satisfied or waived to the extent and in accordance with clause 4:

- (a) **(shareholder approval)** Shareholders approve the General Meeting Resolutions by the requisite majority at the General Meeting (the **Shareholder Approval**);
- (b) **(FIRB)** either of the following occur:
 - (i) the Treasurer of the Commonwealth of Australia (or the Treasurer's delegate) provides written notice under the FATA stating that, or to the effect that, the Commonwealth Government has no objection to the acquisition contemplated by this Agreement, whether on an unconditional basis or subject only to:
 - (A) conditions acceptable to the Subscriber (acting reasonably); or
 - (B) the Tax Conditions issued by FIRB from time to time (or any terms, conditions or undertakings that are consistent in all material respects with the Tax Conditions); or
 - (ii) following the Subscriber giving notice under the FATA of the acquisition contemplated by this Agreement, the Treasurer of the Commonwealth of Australia becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the acquisition contemplated by this Agreement, and the 10 day period referred to in section 82(2)(a) of the FATA has ended or the period referred to in section 82(2)(b) of the FATA has ended (whichever is applicable);

- (c) **(probity and regulatory)** the Subscriber having received all necessary regulatory approvals under applicable Australian Laws to subscribe for the Tranche 2 Convertible Notes, and for the conversion of any Convertible Notes into Conversion Shares, including for the avoidance of doubt, under:
 - (i) the *Casino Control Act 1992* (NSW) and the *Casino Control Act 1982* (Qld); and
 - (ii) any agreement, contract or deed between any Issuer Group Member and any Governmental Agency concerning the casino, gaming or other business operations of any Issuer Group Member;
- (d) **(ASX Listing Rule 6.1 confirmation)** ASX having confirmed that, in ASX's opinion, the Terms and Conditions which apply to the Tranche 2 Convertible Notes are fair and equitable for the purposes of Listing Rule 6.1;
- (e) **(Senior Facility Agreement)** the Senior Agent having provided all consents, approvals and waivers necessary for the purposes of the Senior Facility Agreement, in the opinion of the Issuer (acting reasonably), to give effect to the transactions contemplated by this Agreement; and
- (f) **(no defaults)** the Issuer having confirmed that there is no Senior Facility Default subsisting under the Senior Facility Agreement, and no Event of Default by the Issuer subsisting under the Sub Debt Instrument, the Tranche 1A Convertible Notes or this Agreement as at 5:00pm on the day immediately prior to the date being 5 Business Days after the Conditions Precedent in clauses 4.1(a), 4.1(b), 4.1(c), 4.1(d) and 4.1(e) have been satisfied or waived to the extent and in accordance with clause 4.

4.2 Waiver

- (a) The Conditions Precedent in clauses 4.1(a) to 4.1(e) cannot be waived.
- (b) The Condition Precedent in clause 4.1(f) is for the sole benefit of the Subscriber and any breach or non-satisfaction of that Condition Precedent may be waived by the Subscriber in its sole and absolute discretion (acting reasonably and without delay).

4.3 Best endeavours

Each of the Issuer and Subscriber will use best endeavours within its capacity to procure that:

- (a) each of the Conditions Precedent set out in clause 4.1 for which it is responsible:
 - (i) are satisfied as soon as reasonably practicable after the date of this Agreement; and
 - (ii) continues to be satisfied at all times until the last time it is required to be satisfied in accordance with this Agreement (as the case may require); and
- (b) there is no occurrence that would prevent the Conditions Precedent for which it is responsible being satisfied (provided, for the avoidance of doubt, that this does not require the Subscriber to agree or accept any conditions imposed in relation to any Regulatory Approvals).

4.4 Specific obligations of co-operation

Without limiting the generality of clause 4.3:

- (a) each party must make all necessary and appropriate applications and supply all necessary and appropriate information for the purpose of enabling the Conditions

Precedent to be satisfied (provided that any commercially sensitive or competitive sensitive or privileged information may be redacted from the information provided); and

(b) each party must:

- (i) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (ii) promptly notify (and in any case within 2 Business Days) the other party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied and must keep the other party informed of any material development of which it becomes aware that may lead to the breach or non-satisfaction of the Condition Precedent; and
- (iii) promptly notify (and in any case within 2 Business Days) the other party in writing of a breach or non-satisfaction of a Condition Precedent or of any fact or circumstance that results in that Condition Precedent becoming incapable of being satisfied or that may result in that Condition Precedent not being satisfied in accordance with its terms.

4.5 Shareholder Approval

(a) The Issuer represents and warrants to the Subscriber that, as at the date of this Agreement, each Director has confirmed:

- (i) their recommendation in respect of the General Meeting Resolutions is that Shareholders vote in favour of the General Meeting Resolutions; and
- (ii) they intend to vote, or cause to be voted, all Shares in which they have a Relevant Interest in favour of the General Meeting Resolutions,

in each case, subject only to:

- (iii) the absence of a Superior Proposal; and
- (iv) the Independent Expert concluding in the Independent Expert's Report that the issue of the Tranche 2 Convertible Notes to the Subscriber and the conversion of the Convertible Notes into Conversion Shares is 'fair and reasonable' or 'not fair, but reasonable'.

(b) The Issuer must procure that the Directors:

- (i) unanimously recommend that Shareholders vote in favour of the General Meeting Resolutions at the General Meeting, subject to the absence of a Superior Proposal and the Independent Expert concluding in the Independent Expert's Report that the issue of the Tranche 2 Convertible Notes to the Subscriber and the conversion of the Convertible Notes into Conversion Shares is 'fair and reasonable' or 'not fair, but reasonable' (**Recommendation**); and
- (ii) intend to vote, or cause to be voted, all Shares in which they have a Relevant Interest in favour of the General Meeting Resolutions, subject to the absence of a Superior Proposal and the Independent Expert concluding in the Independent Expert's Report that the issue of the Tranche 2 Convertible Notes to the Subscriber and the conversion of the Convertible Notes into Conversion Shares is 'fair and reasonable' or 'not fair, but reasonable' (**Voting Intention**).

- (c) Without limiting clauses 4.3 and 4.4 above, the Issuer must take all steps reasonably necessary to obtain the Shareholder Approval, including by:
- (i) convening and holding the General Meeting to obtain the Shareholder Approval. The parties acknowledge that the Issuer is targeting to convene and hold the General Meeting on or before 7 July 2025;
 - (ii) as soon as practicable after the date of this Agreement, preparing and despatching all documents required or necessary for the General Meeting:
 - (A) in accordance with all applicable Laws, including the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 74 and the Listing Rules; and
 - (B) which includes statements of the Board collectively, and the Directors individually, in respect of its and their Recommendation and Voting Intention (as applicable) referred to in clause 4.5(b);
 - (iii) consulting with the Subscriber as to the content and presentation of all documents required or necessary for the General Meeting which includes:
 - (A) providing to the Subscriber successive drafts of such documents and the Independent Expert's Report for the purposes of enabling the Subscriber to review and comment on those draft documents, provided that, in relation to the Independent Expert's Report, the Subscriber's review is to be limited to a factual accuracy review;
 - (B) consulting with the Subscriber in relation to the content and presentation of the General Meeting documents; and
 - (C) taking all reasonable comments made by or on behalf of the Subscriber into account in good faith when producing a revised draft of such documents a reasonable; and
 - (iv) ensuring that any material public statement or announcement relating to the transactions contemplated by this Agreement includes statements of the Board collectively, and the Directors' individually, in respect of its and their Recommendation and Voting Intention (as applicable) referred to in clause 4.5(b).
- (d) The Subscriber:
- (i) acknowledges and agrees that it will prepare and promptly provide to the Issuer all information required by the Issuer in respect of the Subscriber and its Subsidiaries for inclusion in the documents referred to in clause 4.5(c)(iii) above (the **Subscriber Information**); and
 - (ii) undertakes that the Subscriber Information will not contain any material statement that is false or misleading in a material respect, whether because of any material omission from that statement or otherwise.

5 Issue of the Tranche 2 Convertible Notes

5.1 Payment

- (a) Subject to clauses 5.1(b) and 7.3, if at the time the Shareholder Approval has been obtained, all other applicable Conditions Precedent in clause 4.1 have also been satisfied or waived (as applicable), the Subscriber must pay, or cause to be paid, the Tranche 2 Subscription Amount to the Issuer within 2 Business Days of the Shareholder Approval

being obtained. This payment must be made in immediately available Australian dollars by electronic funds transfer to an account nominated by the Issuer.

- (b) The Principal Outstanding repayable to the Subscriber under clause 7.7(a) will be taken to have been set off against the obligation of the Subscriber to pay the Tranche 2 Subscription Amount under clause 5.1(a), so that the Subscriber is only required to pay under clause 5.1(a) the Tranche 2 Subscription Amount less the Principal Outstanding as at the Tranche 2 Issue Date (***Net Tranche 2 Subscription Amount***).

5.2 Issue of Tranche 2 Convertible Notes

If clauses 5.1 or 7.3 apply, on the date of receipt of the Net Tranche 2 Subscription Amount by the Issuer in accordance with clause 5.1 or 7.3, the Issuer must issue the Tranche 2 Convertible Notes to the Subscriber. If the Issuer receives payment of the Net Tranche 2 Subscription Amount after 5pm on a particular day, it will be deemed to be received by the Issuer on the following Business Day.

5.3 Holding Statement

On the Tranche 2 Issue Date, the Issuer must procure entry of the Subscriber in the Convertible Notes Register as the holder of the Tranche 2 Convertible Notes and as soon as practicable after provide (or procure that its securities registry provides) to the Subscriber a holding statement of the Tranche 2 Convertible Notes.

5.4 Subscriber nomination

- (a) The Issuer and the Subscriber acknowledge and agree that:
 - (a) the Subscriber may nominate in writing the Tranche 1A Nominee Holder to hold the Tranche 1A Convertible Notes;
 - (b) at any time prior to the Business Day before the Tranche 2 Issue Date, the Subscriber may nominate any wholly-owned Subsidiary of the Subscriber (***Tranche 2 Nominee Holder***) to hold the Tranche 2 Convertible Notes;
 - (c) prior to the Tranche 2 Nominee Holder being issued or holding any Tranche 2 Convertible Notes, it must:
 - (i) have received all necessary regulatory approvals under applicable Australian Laws to hold the relevant Convertible Notes and any Conversion Shares, including for the avoidance of doubt, under:
 - (A) the Casino Control Act 1992 (NSW) and the Casino Control Act 1982 (Qld); and
 - (B) any agreement, contract or deed between any Issuer Group Member and any Governmental Agency concerning the casino, gaming or other business operations of any Issuer Group Member; and
 - (ii) if required by the Senior Agent, execute a subordination deed on the same terms as contained in the Subordination Deed; and
 - (d) notwithstanding the Tranche 1A Nominee Holder or a Tranche 2 Nominee Holder (each, a ***Nominee Holder***) may hold the Convertible Notes and Conversion Shares, the Subscriber remains at all times liable for its obligations under this Agreement and the Subordination Deed, including any obligation to pay money, and the Subscriber shall procure that the Nominee Holder complies with any obligations set out in this Agreement and the Subordination Deed to the extent applicable.

5.5 Other Investor Convertible Notes

- (a) The parties acknowledge that on or about the date of this Agreement, the Other Investor has entered into an agreement (**Other Investor Subscription Agreement**) with the Issuer to subscribe for up to 1,110,741,070 convertible notes described as 'Tranche 2 Convertible Notes' (**Other Investor Notes**) and to lend subordinated debt to the Issuer (**Other Investor Sub Debt Instrument**).
- (b) An **Other Investor Cancellation Event** will occur if:
 - (i) within two Business Days of the Shareholder Approval being obtained in respect of the Tranche 2 Convertible Notes subject to this Agreement (the **Other Investor Payment Date**), the Other Investor has not paid to the Issuer in immediately available Australian dollars by electronic funds transfer to an account nominated by the Issuer (as applicable):
 - (A) the applicable subscription amount in respect of the Other Investor Notes in accordance with the Other Investor Subscription Agreement; or
 - (B) the applicable upside amount in respect of the Other Investor Sub Debt Instrument, whether due to the Other Investor's default of its obligations under the Other Investor Subscription Agreement, approval of Shareholders not being obtained with respect to the issuance of the Other Investor Notes to the Other Investor, the right of the Other Investor to subscribe for the Other Investor Notes, or the Other Investor Notes, being cancelled or extinguished or otherwise;
 - (ii) the Other Investor has failed to cure or otherwise rectify the matters set out in clause 5.5(b)(i) above by making the applicable payment to the Issuer within two Business Days of the Other Investor Payment Date; and
 - (iii) the Issuer has provided an Other Investor Non-Payment Notice to the Other Investor.
- (c) The Issuer will promptly notify the Subscriber in writing if an Other Investor Cancellation Event occurs (**Other Investor Cancellation Notice**).

6 Requirements for the issue of Convertible Notes

6.1 ASX filings

Immediately upon the issue of any Convertible Notes, the Issuer must duly execute and lodge with the ASX in accordance with all applicable Laws any Appendix 3B or Appendix 3G (as those terms are defined in the Listing Rules) that is required for the issue of any Convertible Notes.

6.2 Disclosure Document

The Issuer must:

- (a) on or prior to the Tranche 2 Issue Date, lodge with ASIC a disclosure document complying with Chapter 6D of the Corporations Act relating to the issue of Shares on conversion of the Tranche 1A Convertible Notes and the issue of the Tranche 2 Convertible Notes for the purposes of seeking to ensure that the on-sale restrictions in the Corporations Act will not apply in respect of any Conversion Shares following conversion of the Tranche 1A Convertible Notes or the Tranche 2 Convertible Notes (**Prospectus**); and

- (b) lodge with ASIC a supplementary or replacement prospectus in relation to such Prospectus in each circumstance contemplated by section 719(1) or section 719(1A) of the Corporations Act.

7 Sub Debt Instrument

7.1 Acknowledgement of payment of Subordinated Debt Amount

- (a) It is acknowledged and agreed that, prior to the date of this Agreement, the Subscriber lent the Subordinated Debt Amount (excluding the impacts of any potential upsizes to the Subordinated Debt Amount in accordance with clauses 7.3(d), 7.3(e) or 7.3(f) of this Agreement) to the Issuer in immediately available Australian dollars by electronic funds transfer to an account nominated by the Issuer.
- (b) For the avoidance of doubt, notwithstanding that the Subordinated Debt Amount was lent to the Issuer prior to the date of this Agreement, the provision of the Subordinated Debt Amount by the Subscriber to the Issuer is subject to the terms of this Agreement.

7.2 Subordination Deed

It is acknowledged and agreed that the Sub Debt Instrument, and the payment of, and the rights and claims in respect of, the Sub Debt Instrument, are subordinated and postponed and made subject in right of payment to the Senior Facility Agreement in the manner set out in the Subordination Deed.

7.3 Upsize of Sub Debt Instrument

If the Conditions Precedent in clauses 4.1(d) (*ASX Listing Rule 6.1 confirmation*), 4.1(e) (*Senior Facility Agreement*) and 4.1(f) (*no defaults*) have been satisfied, but any of the Conditions Precedent in clauses 4.1(b) (*FIRB*) and 4.1(c) (*probity and regulatory*) (together, the **Regulatory Approvals**) have not been satisfied, and:

- (a) there continues to be no Event of Default by the Issuer subsisting under this Agreement;
- (b) there continues to be no Tranche 1A Default subsisting; and
- (c) the Issuer has confirmed in writing to the Subscriber that there is no Senior Facility Default subsisting under the Senior Facility Agreement,
 - (i) in each case,
- (d) by the time the Shareholder Approval is obtained, the Subordinated Debt Amount shall be increased by \$66,666,666.67 and the Subscriber will lend that amount to the Issuer in respect of such upsize in full within 2 Business Days of the date on which Shareholder Approval is obtained;
- (e) if an Other Investor Cancellation Event has occurred and the Issuer has provided the Subscriber with an Other Investor Cancellation Notice, the Subordinated Debt Amount shall be increased by a further \$33,333,333.33 and the Subscriber will lend that amount to the Issuer in respect of such upsize in full within two Business Days of the Other Investor Cancellation Notice; and
- (f) by 7 October 2025 (provided for the avoidance of doubt the Shareholder Approval has been obtained at that time):
 - (i) if an Other Investor Cancellation Event has occurred and the Issuer has provided the Subscriber with an Other Investor Cancellation Notice prior to 7 October 2025, the principal amount of the Subordinated Debt Amount shall be increased

by a further amount equal to \$100,000,000 and the Subscriber will lend that amount to the Issuer in respect of such further upsize by 9 October 2025; and

- (ii) if an Other Investor Cancellation Event has not occurred, the principal amount of the Subordinated Debt Amount shall be increased by a further amount equal to \$66,666,666.67 and the Subscriber will lend that amount to the Issuer in respect of such further upsize by 9 October 2025,

provided that if all the Regulatory Approvals are obtained at any time after the Shareholder Approval, the Principal Outstanding repayable to the Subscriber under clause 7.7(a) will set off against the obligation of the Subscriber to pay the Tranche 2 Subscription Amount under clause 5.1(a), so that the Subscriber is only required to pay under clause 5.1(a) the Tranche 2 Subscription Amount less the Principal Outstanding as at the Tranche 2 Issue Date (Net Tranche 2 Subscription Amount). In such case, notwithstanding any other provision of this Agreement or the Terms and Conditions, the Net Tranche 2 Subscription Amount shall be payable within 2 Business Days after all Regulatory Approvals have been obtained. This payment must be made in immediately available Australian dollars by electronic funds transfer to an account nominated by the Issuer.

7.4 Calculation and payment of interest

- (a) Interest accrues from day to day on the Principal Outstanding and any PIK Liability at the Coupon Rate for each Interest Period and is payable quarterly in arrears in accordance with clause 7.4(b). Any interest shall be calculated on the basis of a 365 day year.
- (b) Subject to clause 7.5 below, the Issuer must pay interest accrued on the Principal Outstanding and any PIK Liability in accordance with clause 7.4(a) above to the Subscriber:
 - (i) quarterly in arrears, commencing on the date that is 3 months after the Tranche 1A Issue Date, each such date being an **Interest Payment Date**; and
 - (ii) on the Maturity Date, if there are any amounts of interest outstanding by such date.

7.5 PIK Liability

- (a) At the Issuer's election, and subject to the terms of the Subordination Deed, any quarterly interest payment amount in respect of the Principal Outstanding and any PIK Liability can be paid:
 - (i) in cash; or
 - (ii) in kind via an increase in a separate cash liability (the **PIK Liability**) and not via an increase in the Principal Outstanding.
- (b) The Issuer shall be deemed to have elected to incur or increase the PIK Liability in respect of the Sub Debt Instrument for each applicable Interest Payment Date without the need for notice to the Subscriber for so long as amounts payable under the Senior Facility Agreement remain outstanding and the Subordination Deed remains in place, following which the Issuer may change such election by notice in writing to the Subscriber at any time on not less than 5 Business Days' notice prior to the next Interest Payment Date.
- (c) If the Issuer elects to pay one or more interest payments in kind, the Issuer may make one or more payments to the Subscriber prior to the Maturity Date to reduce or extinguish the then outstanding PIK Liability by notice in writing to the Subscriber at any time on not less than 5 Business Days' notice prior to the next Interest Payment Date. Such payments can, at the Issuer's sole election, be in cash or can be satisfied by the issue of

the number of Shares calculated in accordance with clause 7.5(d), provided that the issue of such Shares does not result in any breach of applicable Laws.

- (d) The number of Shares to be issued under clause 7.5(c) will be determined based on the arithmetic average of the daily VWAP of the Shares for the 15 consecutive Trading Days immediately preceding the date the Issuer provides notice to the Subscriber of such payment.
- (e) The PIK Liability shall otherwise become due and payable on the Maturity Date subject to the Subordination Deed.

7.6 Payment, Default Interest and Delay in Payment

- (a) If the date scheduled for any payment under the Sub Debt Instrument is not a Business Day, then the payment will be made on the next Business Day.
- (b) If the Issuer fails to pay any sum in respect of the Sub Debt Instrument when the sum becomes due and payable under this Agreement, interest shall accrue on the overdue sum at the Coupon Rate plus the Default Interest Rate per annum from the due date. Such interest shall be calculated on the basis of a 365 day year.
- (c) The Subscriber will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due:
 - (i) as a result of the due date not being a Business Day; or
 - (ii) if the Subscriber does not provide the necessary account details for payment in accordance with this Agreement.

7.7 Timing of repayment of the Sub Debt Instrument

- (a) Subject to the other terms of this Agreement:
- (a) the Principal Outstanding shall be repayable by the Issuer on the earlier of the Tranche 2 Issue Date and the Maturity Date; and
- (b) any accrued but unpaid interest (including, for the avoidance of doubt, the PIK Liability) shall be repayable by the Issuer on the Maturity Date.

7.8 Method of repayment of the Sub Debt Instrument

- (a) It is acknowledged and agreed that, in accordance with clause 5.1(b), the issuance of the Tranche 2 Convertible Notes in accordance with clause 5 or clause 7.3 on the Tranche 2 Issue Date will satisfy in full the Issuer's obligations to repay the Principal Outstanding.
- (b) If the Issuer is required to make a payment in immediately available funds to the Subscriber, it must do so to an account nominated by the Subscriber in writing, or as otherwise agreed in writing between the parties. Payments must (subject to clauses 5.1(b) and 7.3) be in cleared funds and free of any set-off, counterclaim or other deduction, except for a Tax required by law.

7.9 Redemption of the Sub Debt Instrument

- (a) Subject to the terms of the Subordination Deed, if Shareholder Approval has not been obtained by 7 September 2025, the Issuer must repay the Subscriber, by 5 January 2026, the Amount Owed.
- (b) Subject to the terms of the Subordination Deed, if the Regulatory Approvals have not been obtained by 7 May 2026, the Sub Debt Instrument shall be redeemable in full at the election of the Subscriber, by notice in writing to the Issuer. Upon receipt of such written

election from the Subscriber, the Issuer must repay the Subscriber, within 120 days of the date of such election, the Amount Owed.

- (c) The Issuer must promptly notify (and in any case within 2 Business Days) the Subscriber in writing upon becoming aware of any fact, matter or circumstance that will lead to a Prescribed Redemption Event, provided that such notification must contain a reasonable summary of the fact, matter or circumstance in sufficient detail and otherwise to a sufficient extent (to the extent the details are known at the applicable time).
- (d) Subject to the terms of the Subordination Deed, the Subscriber may, provided the Issuer has provided notice required by clause 7.9(c), by notice in writing given no later than 10 Business Days following the occurrence of a Prescribed Redemption Event (or such longer period consented to by the Issuer in writing), elect in its discretion to redeem in full the Sub Debt Instrument. Upon such election, the Issuer must repay to the Subscriber, within 120 days of such notice, the Amount Owed as at the date of repayment.

7.10 Assignment of the Sub Debt Instrument

The Sub Debt Instrument may be transferred (including by way of assignment) by the Subscriber to any of its Related Bodies Corporate, provided that:

- (a) the Subscriber provides at least 10 Business Days' written notice to the Issuer of the proposed transfer;
- (b) if any regulatory approvals or other consents are required in connection with any such transfer, such regulatory approvals or consents are obtained prior to the transfer; and
- (c) no such transfer can occur if it is not permitted under the terms of the Subordination Deed.

7.11 Notification of Tax Deduction

- (a) The Issuer must make all payments to be made by it under the Sub Debt Instrument, a Convertible Note or this Agreement without any Tax Deduction unless such Tax Deduction is required by Law.
- (b) The Issuer must promptly, on becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the Subscriber accordingly.
- (c) If the Issuer is required to make a Tax Deduction, the Issuer must make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Law.
- (d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Issuer must deliver to the Subscriber evidence satisfactory to the Subscriber, acting reasonably, that the Tax Deduction has been made or (as applicable) any appropriate payment has been paid to the relevant Governmental Agency.

8 Representations and warranties

8.1 Warranties by the Issuer

The Issuer represents and warrants to the Subscriber that each of the following statements is true, correct and complete as at the date of this Agreement (unless otherwise stated):

- (a) **(Status)** Each Issuer Group Member is a corporation validly incorporated, organised and subsisting in accordance with the Laws of the place of its incorporation.
- (b) **(Not insolvent)** No Issuer Group Member is Insolvent.

- (c) **(Corporate power)** It has full power and authority to enter into and perform its obligations under this Agreement and the Deed Poll in accordance with the terms of this Agreement and the Deed Poll.
- (d) **(Binding obligation)** The entry into, delivery and performance of this Agreement and the Deed Poll have been duly authorised, executed and delivered by the Issuer and constitutes legal, valid and binding obligations of the Issuer except to the extent limited by equitable principles and Laws affecting creditors' rights generally.
- (e) **(No contravention)** Neither the entry into nor performance by it of this Agreement or the Deed Poll nor any transaction contemplated under this Agreement or the Deed Poll, violates any provision of any judgment binding on it, its constituent documents, or any Law or document, agreement or other arrangement binding on it or its assets.
- (f) **(Capacity and authorisation)** It has full power and capacity, and taken all necessary corporate or other action to approve and authorise its execution of this Agreement and the Deed Poll and it has taken all necessary corporate or other action to approve and authorise the issue of the Convertible Notes on the terms set out in this Agreement and the Deed Poll.
- (g) **(Validity of Convertible Notes)** As at its Issue Date, the issue of each Convertible Note by the Issuer will have been duly authorised and, upon its issue, that Convertible Note will constitute legal, valid and binding obligations of the Issuer except to the extent limited by equitable principles and Laws affecting creditors' rights generally.
- (h) **(Continuous disclosure)** The Issuer is in compliance with its continuous disclosure obligations under Listing Rule 3.1 and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from the disclosure (other than the transactions contemplated by this Agreement and the Deed Poll).
- (i) **(Accuracy of information)** The Disclosure Material is accurate in all material respects and was provided in good faith.
- (j) **(Ranking of Convertible Notes and Sub Debt Instrument)** The Issuer's obligations under the Convertible Notes and Sub Debt Instrument are direct, unconditional, unsecured and subordinated obligations of the Issuer, junior only to the Senior Facility Agreement.
- (k) **(Compliance)** The execution and delivery of this Agreement and the Deed Poll, the issue of the Convertible Notes, the carrying out of the other transactions contemplated by this Agreement and the Deed Poll and compliance with their terms do not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the Constitution, or any indenture, trust deed, mortgage or other agreement or instrument to which the Issuer or any Issuer Group Member is a party or by which any of them or any of its properties is bound.
- (l) **(Capital structure)** The capital structure of the Issuer comprises:
 - (i) 2,868,680,877 Shares;
 - (ii) 6,015,496 options;
 - (iii) 2,364,444 service rights;
 - (iv) 23,664,878 performance rights; and
 - (v) 417,776,790 convertible notes, comprising the Tranche 1A Convertible Notes and the Tranche 1B Convertible Notes.

- (m) **(Compliance with Law)** Except as disclosed to the ASX in accordance with the Listing Rules within the 24 months prior to the date of this Agreement, and to the best of the Issuer's knowledge and belief, as at the date of this Agreement, each Issuer Group Member has conducted its business and affairs in accordance with its constituent documents and in all material respects in accordance with all applicable Laws and regulations.
- (n) **(No Proceedings)** Except as disclosed to the ASX in accordance with the Listing Rules prior to the date of this Agreement, no Issuer Group Member is a party to any material Proceeding and to the best of the Issuer's knowledge and belief, as at the date of this Agreement there are no anticipated, pending or threatened Proceedings against any Issuer Group Member.

8.2 Warranties by the Subscriber

The Subscriber represents and warrants to the Issuer that each of the following statements is true, correct and complete as at the date of this Agreement:

- (a) **(Status)** It is a corporation validly incorporated, organised and subsisting in accordance with the Laws of the place of its incorporation.
- (b) **(Not insolvent)** It is not Insolvent.
- (c) **(Corporate power)** It has full power and authority to enter into and perform its obligations under this Agreement in accordance with the terms of this Agreement.
- (d) **(Binding obligation)** This Agreement has been duly authorised, executed and delivered by the party and constitutes legal, valid and binding obligations of the party.
- (e) **(No contravention)** Neither the entry into nor performance by it of this Agreement nor any transaction contemplated under this Agreement violates in any material respect any provision of any judgment binding on it, its constituent documents, or any Law or document, agreement or other arrangement binding on it or its assets.
- (f) **(Exempt Subscriber)** It is a person to whom offers of securities do not require disclosure under Chapter 6D of the Corporations Act.
- (g) **(Consents)** Other than as set out or contemplated in this Agreement, the Subscriber has all necessary regulatory approvals and consents required in order for it to enter into and perform its obligations under this Agreement.
- (h) **(Financing)** The Subscriber has binding funding commitments available to it to discharge its financial obligations under this Agreement, and is not in breach of any terms or covenants under such commitments or any of its other debt facilities or loan agreements.
- (i) **(Probity)** So far as the Subscriber is aware, there is no fact, matter or circumstance, including any pending, threatened or actual dispute or litigation, which might reasonably be expected to result in a failure by the Subscriber to satisfy the Condition Precedent at clause 4.1(c).
- (j) **(No agreements with third parties)** The Subscriber is not a party to any agreement, arrangement or understanding with any third party in relation to any Shares and is not acting in concert with any third party in relation to the affairs (as defined in section 53 of the Corporations Act) of the Issuer.

8.3 Knowledge

- (a) Where any Issuer Warranty is, or any other provision of this Agreement is, qualified by reference to the Issuer's awareness, knowledge, information, belief or similar of particular

facts, matters or circumstances, the Subscriber acknowledges that the Issuer's awareness, knowledge, information, belief or similar of a particular facts, matters or circumstances is limited to facts, matters and circumstances which:

- (i) are within the actual awareness, knowledge, information, belief or similar of any Specified Person (defined in clause 8.3(b)) only; and/or
- (ii) would be within the knowledge of any Specified Person as at the date on which the Issuer Warranty is given if all of the Specified Persons had made reasonable enquiries, including of their direct reports, in relation to the relevant facts, matters or circumstances.

(b) For the purposes of clause 8.3(a), the **Specified Persons** are:

- (i) any Director of the Issuer;
- (ii) Frank Krile (Chief Financial Officer);
- (iii) Patrick McGlinchey (Chief Legal Officer (Interim)); and
- (iv) any other person(s) who replace(s) them or assumes their respective or comparable roles.

8.4 Reliance on representations and warranties

Each party acknowledges that the other has entered into this Agreement in reliance on the Warranties.

8.5 Separate Warranties

Each Warranty is to be treated as a separate representation and warranty. The interpretation of any Warranty made may not be restricted by reference to or inference from any other Warranty.

8.6 No Warranties as to Forward Looking Information

Without limiting clause 9.2(a), it is acknowledged and agreed that:

- (a) no representation or Warranty, whether express or implied, is given by or on behalf of the Issuer or any Issuer Group Member in connection with any Forward Looking Information; and
- (b) any reliance placed by the Subscriber on any Forward Looking Information will be solely at the Subscriber's own risk.

8.7 Notice

Each party must immediately notify the other upon becoming aware of any breach of any representation or warranty given by it under this Agreement.

8.8 Breach of representation or warranty

A party is in breach of a Warranty under this Agreement if any of the statements it represents and warrants is untrue, incorrect, or incomplete, including by omission.

8.9 Survival of Obligations

Each representation or warranty in this Agreement survives the execution and delivery of this Agreement, the completion of the arrangements for the subscription and issue and conversion of the Convertible Notes and termination of this Agreement.

9 Undertakings

9.1 Undertakings in respect of the Subordination Deed

- (a) The Subscriber covenants in favour of the Issuer that it will not, without the consent of the Senior Agent take any action under this Agreement, or in respect of the Sub Debt Instrument or the Convertible Notes, which would breach any of its obligations under the Subordination Deed.
- (b) The Issuer covenants in favour of the Subscriber that it will use reasonable endeavours, following the date of this Agreement, to negotiate with the Senior Finance Parties amendments to the Subordination Deed that are satisfactory to the Issuer.

9.2 Sub Debt Undertakings

Subject to clause 9.4, in respect of the Sub Debt Instrument only, and only while there is any Principal Outstanding, provided that the Subscriber is not in material default of its obligations under this Agreement and that such default is not subsisting, the Issuer undertakes to the Subscriber on behalf of itself and each Issuer Group Member:

- (a) subject to clause 9.2(b), not to incur any expenditures which are not contemplated in the Liquidity Scenario Document other than those expenditures:
 - (i) in connection with the ordinary course of business of an Issuer Group Member;
 - (ii) required for an Issuer Group Member to comply with applicable Laws and regulations; or
 - (iii) required in connection with implementing this Agreement.
- (b) that the quantum and terms of any fines and penalties payable by the Issuer to any Governmental Agency are to be agreed with the Subscriber, other than:
 - (i) those fines and penalties which are required to be paid by an Issuer Group Member to comply with applicable Laws and regulations;
 - (ii) those fines and penalties which are required to be paid by an Issuer Group Member to comply with its obligations under any agreement entered into with the NICC, OLGR or AUSTRAC before the date of the Term Sheet; and
 - (iii) the \$5,000,000 amount outstanding to the NICC in respect of the NICC's pecuniary penalty issued prior to the date of the Term Sheet;
- (c) that it will not dispose of a material asset of the Issuer Group, other than those sales or disposals required to ensure that an Issuer Group Member can satisfy or perform their obligations under any agreement it entered into before the date of the Term Sheet (including, for the avoidance of doubt, any agreements, arrangements or understandings in relation to the DBC Exit Proposal) but, for the avoidance of doubt, this does not apply to any agreements, amendments, waivers or releases relating to those agreements, arrangements or understandings in relation to the DBC Exit Proposal entered into after the date of the Term Sheet;
- (d) not to amend, modify, alter or repeal any constituent documents of any Issuer Group Members in a manner which would be adverse to the Subscriber;
- (e) to conduct its business and affairs in all material respects in accordance with all applicable Laws and regulations; and

- (f) it will provide the following to the Subscriber, provided that the provision of such information does not violate the terms of any agreement entered into by any Issuer Group Member prior to the date of the Term Sheet:
- (i) promptly after each relevant accounting period (but within 120 days), copies of its consolidated audited or unaudited balance sheet, cashflow statements and profit and loss statements for the period;
 - (ii) promptly (but within 45 days) after each quarter, quarterly cashflow statements;
 - (iii) promptly, details of any substantial dispute between an Issuer Group Member and a Governmental Agency, including details of any material updates to any existing disputes which are subsisting as at the date of this Agreement; and
 - (iv) promptly, notice of any litigation to which an Issuer Group Member is party which could, or could reasonably be expected to, have a material adverse effect on the Issuer Group's financial position and affairs.

The Subscriber acknowledges that any information provided under this clause 9.2(f) by the Issuer is subject to the terms of the NDA.

9.3 Additional Sub Debt Undertakings

While there is any Principal Outstanding and prior to the date that is five Business Days after the date on which a Change of Control occurs (if any), and provided that the Subscriber is not in material default of its obligations under this Agreement and that no such default is subsisting, the Issuer must not (and must procure that each other Issuer Group Member does not), without the prior written consent of the Subscriber:

- (a) subject to clauses 12.2 and 12.3, issue (or agree to issue) any Shares, equity securities or debt securities for the primary purpose of raising capital;
- (b) enter into any debt financing agreements (other than under or in accordance with the Senior Facility Agreement);
- (c) enter into any material contract to acquire or dispose of any material assets, other than those acquisitions or disposals required to ensure that an Issuer Group Member can satisfy or perform their obligations under any agreement it entered into before the date of the Term Sheet (including, for the avoidance of doubt, any agreements, arrangements or understandings in relation to the DBC Exit Proposal) but, for the avoidance of doubt, this does not apply to any agreements, amendments, waivers or releases relating to those agreements, arrangements or understandings in relation to the DBC Exit Proposal entered into after the date of the Term Sheet;
- (d) enter into any Material Operating Agreement (with the exception of any Permitted Material Operating Agreement or any insurance arrangements, electricity renewals or arrangements relating to property cleaning services, which for the avoidance of doubt are not subject to this clause 9.3(d)); and
- (e) other than drawing down bank guarantee and other transactional and working capital facilities or electing to capitalise a portion of the interest otherwise payable in the ordinary course of business, and other than as expressly allowed or required under the Senior Facility Agreement or this Agreement, agree to take any action, or allow any other Issuer Group Member to agree to take any action, which would be a Voluntary Secured Lender Action.

9.4 Exceptions

The Sub Debt Undertakings do not apply to an action, omission or matter:

- (a) that results or arises from regulatory or legislative changes, or any other changes in applicable Laws, affecting the business of the Issuer;
- (b) to respond to or implement any formal direction or requirement of NICC or OLGR;
- (c) to respond to an emergency or disaster;
- (d) disclosed on ASX within the 24 months prior to the date of this Agreement;
- (e) that is expressly allowed or required by, this Agreement or the Subordination Deed (in either case, only to the extent expressly allowed or required by the terms of this Agreement or the Subordination Deed); or
- (f) in respect of which the Subscriber has expressly provided its prior written consent.

10 Default

10.1 Events of Default

Each of the following constitutes an **Event of Default**:

- (a) **(Default)** The Issuer defaults on any payment under or fails to comply in a material respect with any material term of this Agreement or the Deed Poll.
- (b) **(Cross default)** Any financial indebtedness of the Issuer or another Issuer Group Member in excess of \$50,000,000:
 - (i) is not paid when due (or within an applicable grace period); or
 - (ii) becomes due and payable before its stated maturity or expiry.
- (c) **(Insolvency)** An Issuer Group Member becomes Insolvent.
- (d) **(Breach of Undertaking)** While the Sub Debt Instrument remains outstanding, the Issuer breaches a Sub Debt Undertaking.

10.2 Cure Date

The Issuer must, upon the occurrence of any Event of Default other than that provided in clause 10.1(c) above (in respect of which there will be no cure period), take all reasonable steps to cure such Event of Default within 20 Business Days from the date on which any notification is provided by the Issuer to the Subscriber in writing (**Cure Date**).

10.3 Rights of Subscriber upon an Event of Default

If any Event of Default occurs and it has not been cured in accordance with clause 10.2 by the Cure Date the Subscriber may, subject to the provisions of the Subordination Deed, declare, by notice to the Issuer, the total of all amounts outstanding and all other amounts payable by the Issuer to the Subscriber under this Agreement and the Deed Poll, payable at which point they shall become due and payable by the Issuer to the Subscriber within 120 days of such notice.

11 Limitations of liability

11.1 Disclosures

- (a) To the maximum extent permitted by Law:
- (a) all terms, conditions, warranties and statements (whether express, implied, written, oral, collateral, statutory or otherwise) which are not expressly set out in this Agreement are

excluded and, to the extent they cannot be excluded, the Issuer disclaims all liability in relation to them;

- (b) the Subscriber agrees not to make and waives any right it might have to make any Claim against the Issuer or any of its Representatives in respect of the Issuer Warranties to the extent the Claim is based on any facts, matters or circumstances:
- (i) expressly provided for in the Subordination Deed, this Agreement, the Deed Poll or the Liquidity Scenario Document;
 - (ii) within the actual knowledge of a member of the Subscriber Deal Team as at the date of this Agreement which, for these purposes, will be taken to include (and be limited to) the facts, matters or circumstances of which a member of the Subscriber Deal Team is actually aware as at the date of this Agreement;
 - (iii) Fairly Disclosed by the Issuer to the ASX within 24 months prior to the date of this Agreement; or
 - (iv) Fairly Disclosed in a document lodged with ASIC in the 24 months prior to the date of this Agreement, or which would be disclosed in a search of the PPS Register or the public records maintained by any Relevant Court in Australia in relation to the Issuer, in each case prior to the date of this Agreement.

11.2 Claims and conditions of payment

Despite any other provision of this Agreement, each of the following applies in respect of a Claim relating to a breach of an Issuer Warranty under this Agreement.

- (a) **(Notice of Claims)** The Issuer is not liable to make any payment (whether by way of damages or otherwise) in respect of any Issuer Warranty unless the Subscriber provides written notice of such Claim to the Issuer as soon as reasonably practicable after the Subscriber becomes aware of the fact, circumstance or matter on which the Claim is based and, in any event, on or before the date that is 12 months after it has first come to the Subscriber's attention that the fact, circumstance of matter will or is reasonably likely to give rise to a Claim.
- (b) **(Details of Claims)** The Subscriber must include in a notice given under paragraph (a) reasonable particulars of the Claim, including details of the fact, circumstance or matter giving rise to the Claim, the nature of the Claim and, to the extent reasonably practicable, the Subscriber's calculation of the loss suffered, in so far as they are reasonably available to the Subscriber at the time.
- (c) **(Actions of Subscriber)** The Issuer's liability in respect of any such Claim will be reduced or extinguished (as the case may be) to the extent that the liability relating to the Claim has arisen as a direct result of any act or omission by or on behalf of the Issuer where the Subscriber has given its prior written approval to that act or omission.
- (d) **(General limitations)** The Issuer is not liable to make any payment (whether by way of payment of damages or otherwise) for any liability relating to Claim for a breach of an Issuer Warranty to the extent that the liability:
- (i) **(contingent liability)** is contingent, unless and until such liability becomes an actual liability and is due and payable;
 - (ii) **(change in Law or interpretation)** arises from:
 - (A) any legislation not in force at the date of this Agreement;
 - (B) any change in the judicial interpretation of the Law in any jurisdiction after the date of this Agreement;

- (C) any change in the regulatory or administrative practice of any Governmental Agency after the date of this Agreement;
- (D) any change in Accounting Standards after the date of this Agreement; or
- (E) to the extent that it is increased as a result of, a change (including a retrospective change) in the rate of Tax or the method of calculating the rate of Tax after the date of this Agreement,

except, in each case, where the relevant change has been announced before the date of the Term Sheet, in which case the relevant change will not have the effect of limiting Issuer's liability to the extent that the relevant change is enacted in substantially the same manner as announced; or

(iii) **(legal costs and expenses)** is a legal cost or expense which is not a reasonable legal cost or expense.

- (e) **(Mitigation of loss)** Until the Subscriber notifies the Issuer in accordance with clause 11.2(a), it must take, and ensure each of its Subsidiaries takes, reasonable steps to mitigate any loss which may give rise to the relevant Claim against the Issuer.
- (f) None of the limitations in this clause 11 apply in relation to a Claim that arises as a result of the fraud or misconduct of one or more of any Issuer Group Member's directors, officers or senior executive employees.

11.3 Statutory actions

To the maximum extent permitted by Law, the Subscriber agrees not to make and waives any right it might have to make any Claim against Issuer or any of its officers, employees or agents, whether in respect of the Issuer Warranties or otherwise, under:

- (a) Part 7.10 of the Corporations Act;
- (b) the *Australian Securities and Investments Commission Act 2001* (Cth) in connection with a breach of section 12DA of that Act;
- (c) the Australian Consumer Law (as contained in Schedule 2 of the *Competition and Consumer Act 2010* (Cth) and equivalent State and Territory fair trading legislation); or
- (d) any corresponding or similar provision of any Australian State or Territory legislation or any similar provision of any legislation in any relevant jurisdiction.

12 Additional obligations and agreements

12.1 Execution of the Deed Poll

On or before the date of this Agreement, the Issuer must execute and deliver the Deed Poll to the Subscriber.

12.2 Future offers of Shares by the Issuer

Subject to any adjustments to the Conversion Price (as defined in the Terms and Conditions) set out in the Terms and Conditions, and notwithstanding any Sub Debt Undertakings to the contrary (for so long as there is any Principal Outstanding), nothing in this Agreement or the Deed Poll shall restrict the Issuer from undertaking any offer of Shares, including any entitlement offer to existing holders of its Shares, if:

- (a) the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes have been issued; and
- (b) the General Meeting has been held in respect of the Tranche 2 Convertible Notes.

12.3 Employee Incentive Scheme

The Issuer is permitted to issue, transfer or allot, or agree to issue, or indicate in any way that it will or might, allot or agree to allot any equity securities or grant or agree to grant any options or rights in respect of such securities (or do anything economically equivalent to any of the foregoing) under an existing employee or director agreement or incentive plan in existence prior to the date of the Term Sheet with such changes as are necessitated by securities laws to enable relevant Issuer executives to participate in those plans.

12.4 Board representation

- (a) Subject to clause 12.4(b) and the requirements of all applicable Laws, including for the avoidance of doubt the *Casino Control Act 1992* (NSW) and the *Casino Control Act 1982* (Qld) and any agreement, contract or deed between any Issuer Group Member and any Governmental Agency concerning the casino, gaming or other business operations of any Issuer Group Member, in connection with the transactions contemplated by this Agreement, the Issuer acknowledges and agrees that:
 - (i) the Subscriber has put forward Soo Kim to be invited to attend meetings of the Board in accordance with, and subject to, the terms of an invitation letter and protocols to be provided to the Subscriber on or about the date of this Agreement;
 - (ii) following receipt of the Shareholder Approval only, subject to receipt of any approvals or consents required from a Governmental Agency and any standard background checks and due diligence for new hires, the Issuer and the Subscriber will agree appropriate operational roles for David Curry and Con Nikitas to be appointed to at the Issuer; and
 - (iii) subject to the Conditions Precedent being satisfied in respect of the Tranche 2 Convertible Notes and all of the Convertible Notes being converted into Conversion Shares, the Subscriber will seek to appoint additional and/or replacement Directors to the Board in accordance with, and subject to, the terms of the Constitution and nominee director protocols to be provided to the Subscriber on or about the date of this Agreement, such that:
 - (A) if the Other Investor also subscribes for and converts all of the Other Investor Notes into Shares, the Board will comprise:
 - (1) one Director appointed by the Other Investor;
 - (2) two Directors appointed by the Subscriber;
 - (3) the Managing Director of the Issuer; and
 - (4) such number of independent Directors so that the Board comprises a minimum of 5 Directors; or
 - (B) if the Other Investor does not subscribe for or convert all of the Other Investor Notes into Shares, the Subscriber will have majority representation on the Board.
- (b) Notwithstanding any other provision of this Agreement:
 - (i) if the proposed appointment of any nominee director or invitee to the Board by the Subscriber, or the proposed employment described in clause 12.4(a)(ii) above, does not receive any approvals or consents required from a Governmental Agency, the Subscriber must procure the retirement, withdrawal or resignation, as applicable, of any such director, invitee to the Board or employee from such position within 2 Business Days of the date on which the Subscriber becomes

aware that the relevant consent or approval will not be obtained and the Subscriber may nominate an alternative nominee director, invitee to the Board or employee (as applicable) to fill such position; and

- (ii) if, following the appointment of any nominee director or invitee to the Board by the Subscriber, or the employment of the relevant individuals described in clause 12.4(a)(ii) above, any approval or consent required from a Governmental Agency in connection with such appointment or employment is withdrawn or revoked, or the relevant Governmental Agency provides the Issuer with a direction that the relevant individual should no longer attend meetings of the Board, or otherwise be a nominee director, invitee to the Board or employee of the Issuer or any Issuer Group Member, then:
 - (A) the Issuer must provide the Subscriber with written notice as soon as reasonably practicable after it becomes aware of any such withdrawal, revocation or direction;
 - (B) within 2 Business Days of the date upon which the Issuer provides the Subscriber with the notice under clause 12.4(b)(ii)(A) above, the Subscriber must procure the retirement, withdrawal or resignation, as applicable, of any such director, invitee to the Board or employee from such position; and
 - (C) the Subscriber may nominate an alternative nominee director, invitee to the Board or employee (as applicable) to fill such position.

12.5 No due diligence

The Subscriber acknowledges and confirms that, although it was offered the opportunity to do so, it has conducted no due diligence enquiries with respect to the Issuer Group, other than:

- (a) reviewing the 15 month liquidity scenario documents dated 2 April 2025 and 6 April 2025;
- (b) reviewing publicly available information, including information disclosed on ASX prior to the date of this Agreement; and
- (c) certain limited conversations with representatives of the Issuer,
- (d) and that it is nevertheless willing to enter into this Agreement.

12.6 No conflicting actions

No party may take or omit to take any action, enter into any agreement, or make any commitment that would conflict or interfere in any material respect with its obligations to the other party under this Agreement.

12.7 Further assurances

Each party must:

- (a) take, or cause to be taken, all such further actions;
- (b) execute and deliver all such other certificates, instruments and documents; and
- (c) use its best endeavours to obtain (and refrain from taking any wilful action that would impede or delay obtaining) all third party consents, waivers, approvals, authorisations and orders needed,

as may be necessary or required for effectually carrying out the terms of this Agreement.

13 Withdrawal of Recommendation or Voting Intention

Without limiting any other provision of this Agreement, the Issuer must procure that the Board collectively, and the Directors individually, do not adversely change, withdraw, adversely modify or adversely qualify (including by making any public statement supporting, endorsing or recommending a Superior Proposal and/or to the effect that they no longer support the transactions contemplated by this Agreement) its or their Recommendation or Voting Intention unless a Superior Proposal is publicly announced.

14 GST

14.1 GST treatment of supply of Convertible Notes

The parties acknowledge and agree the supply of the Convertible Notes under this Agreement constitutes a GST-free supply of securities pursuant to section 40-5, section 38-190 and section 9-30(3) of the GST Act.

14.2 Recovery of GST

Notwithstanding clause 14.1, if GST as defined in GST Act (**GST**) is payable, or notionally payable, on a supply made under or in connection with this Agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

14.3 Liability net of GST

Where any indemnity, reimbursement or similar payment under this Agreement is based on any cost, expense or other liability, it shall be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

14.4 Adjustment events

If an adjustment event occurs in relation to a supply made under or in connection with this Agreement, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties. In addition, where the adjustment event is in relation to a taxable supply, an adjustment note must be issued.

14.5 Survival

This clause will not merge upon completion and will continue to apply after expiration or termination of this Agreement.

14.6 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST Law (as defined in the GST Act) shall have the same meaning in this clause.

15 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Agreement:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or person duly authorised by the sender);

(b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address below or the address or email address last notified by the intended recipient to the sender:

- (i) to Issuer: Address: Level 3, 159 William Street, Brisbane QLD 4000
Email: legal@star.com.au
craig.busch@star.com.au
Attention: Group Chief Legal Officer / Craig Busch
- (ii) to Subscriber: Address: 100 Westminster Street, Providence, RI 02903
Email: kbarker@ballys.com
Attention: Kim Barker, Executive Vice President, Chief Legal Officer
Copy to: Con Boulougouris (c.boulougouris@minterellison.com)

(c) will be conclusively taken to be duly given or made and received:

- (i) in the case of delivery in person, when delivered;
- (ii) if sent by post, five days after posting (or ten days after posting if sent from one country to another); or
- (iii) if sent by email, the first to occur of:
- (A) when the sender receives an automated message confirming delivery; or
- (B) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered or an automated 'out of office' reply.

but if the result is that a Notice would be taken to be given or made and received:

- (iv) in the case of delivery by hand or post, at a time that is later than 5pm;
- (v) in the case of delivery by email, at a time that is later than 5pm; or
- (vi) on a day that is not a business day,

in the place specified by the intended recipient as its postal address under clause 15(b), it will be conclusively taken to have been duly given or and received at the start of business on the next business day in that place.

16 Inside Information

The Subscriber acknowledges that information provided by the Issuer pursuant to this Agreement or the Terms and Conditions may comprise Inside Information. The Subscriber acknowledges that it must comply with (and must procure that each of its Subsidiaries and their respective employees and officers comply with) all applicable Laws (including the Corporations Act and Listing Rules) that may apply in relation to dealing in the securities of the Issuer while in possession of any Inside Information or the disclosure of such information.

17 General provisions

17.1 Entire agreement

- (a) This Agreement, the NDA, the Subordination Deed and the Deed Poll contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct, representations, warranties, covenants, conditions, agreements or understanding (collectively **Conduct**) relied on by the parties and supersedes the Term Sheet and all earlier Conduct by or between the parties in connection with their subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Agreement and completing the transactions contemplated by it.
- (b) When Convertible Notes are issued, the rights of a Noteholder under the Deed Poll are cumulative with its rights under this Agreement, and in particular are not affected by termination of this Agreement.

17.2 Severance

Any provision of this Agreement or the Deed Poll which is prohibited or unenforceable in any jurisdiction will be ineffective in that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement or the Deed Poll nor affect the validity or enforceability of that provision in any other jurisdiction.

17.3 Remedies and waiver

- (a) No failure to exercise and no delay in exercising any right, power or remedy under this Agreement or the Deed Poll will operate as a waiver. Nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.
- (b) The parties each acknowledge and agree that damages may not be an adequate remedy for breach of this agreement and that the Subscriber or the Issuer (as applicable) may seek specific performance or injunctive relief in order to enforce their respective rights under this Agreement and the Deed Poll.

17.4 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this Agreement or the Deed Poll. They will survive the execution and delivery of any other document entered into for the purpose of implementing any transaction.

17.5 Assignment

- (a) Subject to clauses 17.5(b) and 7.10, the rights and obligations of the parties under this Agreement are personal and may not be assigned to any other person or assumed by any other person except with the written consent of both parties to this Agreement.
- (b) The Subscriber may only transfer any of its Convertible Notes in accordance with the Terms and Conditions.

17.6 Amendment

No amendment to this Agreement shall be effective unless in writing and signed by each party to this Agreement.

17.7 Costs

Each party must bear its own costs arising out of the negotiation, preparation and execution of the Term Sheet, Subordination Deed, this Agreement and the Deed Poll.

17.8 Remedies cumulative

All remedies afforded under this Agreement shall be taken and construed as cumulative and in addition to every other remedy provided in this Agreement and the Deed Poll or by Law or at equity.

17.9 Governing law and Jurisdiction

This Agreement is governed by the Laws of New South Wales. Each party submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

17.10 Counterparts and electronic execution

This Agreement may be executed electronically and in any number of counterparts. All counterparts taken together will be taken to constitute one agreement.

17.11 Service of process

Without prejudice to any other mode of service allowed under any applicable Laws, the Subscriber:

- (a) irrevocably appoints Emesco Agents Pty Ltd ABN 30 000 405 265 as its agent for service of process in relation to any proceedings in connection with this Agreement and the Subordination Deed:
Address: Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000
Attention: Michael Scarf
Email: michael.scarf@minterellison.com
- (b) agrees that service of documents on its process agent at the address set out above (or any new address notified to the other parties in writing) is sufficient service on it; and
- (c) agrees that failure by a process agent to notify the Subscriber of the process will not invalidate the proceedings concerned.

Emesco Agents Pty Ltd ABN 30 000 405 265 accepts its appointment as agent for service under this clause. If for any reason the person named above ceases to be able to act as process agent, the Subscriber must appoint another person as its process agent in Australia and ensure that the replacement process agent accepts its appointment.

Executed as an agreement.

Executed in accordance with section 127 of the *Corporations Act 2001* by **The Star Entertainment Group Limited**:

/s/ Steve McCann	/s/ Anne Ward
Director Signature	Director/Secretary Signature
Steve McCann	Anne Ward
Print Name	Print Name

Executed by **Bally’s Corporation** by its duly authorised representative:

/s/ George Papanier

Signature
George Papanier

Name
President

Title

Schedule 1 Deed Poll

Execution Page – Convertible Note Subscription Agreement

Convertible Notes Deed Poll

Execution Version

Contents

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4 **Governing law and jurisdiction**

This Deed Poll is made on

Parties

1 **The Star Entertainment Group Limited** (ACN 149 629 023) (the ***Issuer***).

Recitals

A The Issuer proposes to issue the Convertible Notes on the terms of this Deed Poll.

B The Issuer enters into this Deed Poll for the benefit of each person who is from time to time a Noteholder.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply in this Deed Poll in addition to any other terms defined elsewhere in this Deed Poll (including the Terms and Conditions).

Aggregate Convertible Notes Amount Outstanding means, in respect of a Noteholder, the sum total of the Face Value of the Convertible Notes that are held by that Noteholder and any additional PIK Liability in respect of those Convertible Notes, which (at the time at which the Aggregate Convertible Notes Amount Outstanding is determined) have not been duly converted into Shares, or redeemed by the Issuer, in accordance with the Terms and Conditions.

Amount Outstanding means, in respect of a Noteholder (as at the time at which the Amount Outstanding is determined) the aggregate of:

- (i) the Aggregate Convertible Notes Amount Outstanding in respect of that Noteholder; and
- (ii) any other amounts that are due by the Issuer to that Noteholder under this Deed Poll, including accrued but unpaid interest.

Appendix 2A has the meaning given to that term in the Listing Rules.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning as set out in section 12 of the Corporations Act and **Associated** has a corresponding meaning.

ASX means ASX Limited and, as the context requires, the market operated by it.

ASX Settlement Operating Rules means the rules of ASX Settlement Pty Ltd of that name, as amended from time to time.

AUSTRAC means the Australian Transaction Reports and Analysis Centre.

Board means the board of directors of the Issuer.

Business Day means a weekday on which banks are open in New South Wales, Australia.

Change of Control means, in respect of the Issuer, where a person (together with its Associates), other than a Subscriber and its Associates, acquires or holds a Relevant Interest in more than 50% of the Shares in the Issuer (excluding any Relevant Interests under conditional contracts).

Conversion means a conversion of a Convertible Note into Conversion Shares.

Conversion Amount has the meaning given in clause 6.1(a)(i) of the Terms and Conditions.

Conversion Date means, in respect of a Convertible Note, 5 Business Days following receipt of a Conversion Notice in respect of that Convertible Note.

Conversion Notice has the meaning given in clause 6.1 of the Terms and Conditions.

Conversion Period means:

- (a) in respect of a Convertible Note issued prior to the date of this Agreement, in the period commencing on the date which is 3 Business Days following the Issue Date of that Convertible Note and ending on the date which is 5 Business Days prior to the Maturity Date; or
- (b) in respect of any other Convertible Note, in the period commencing on the date which is 3 Business Days following the later of:
 - (i) the Issue Date of that Convertible Note; and
 - (ii) the date on which any conditions precedent to the issuance and/or Conversion applying to such Convertible Notes have been satisfied or waived (where applicable),

and ending on the date which is 5 Business Days prior to the Maturity Date.

Conversion Price means A\$0.08 per Conversion Share, subject to adjustment in accordance with the Terms and Conditions.

Conversion Shares means Shares issued upon the conversion of Convertible Notes.

Convertible Notes means the convertible notes issued by the Issuer on the terms which are set out in the Terms and Conditions, and

Convertible Note means any one or each of those Convertible Notes.

Convertible Notes Register has the meaning given in clause 2(c) of the Terms and Conditions.

Corporations Act means the *Corporations Act 2001* (Cth), as amended or relieved by any ASIC corporations instrument, class order or any other instrument.

Coupon Rate means 9.00% per annum.

Cure Date has the meaning given in clause 14.3 of the Terms and Conditions.

Deed Poll means this deed poll including the Terms and Conditions.

Default Interest Rate means 2.00% per annum.

Delisting means the Issuer ceases to be listed on ASX or the Shares cease (on a permanent basis) to be quoted or admitted to trading status on the ASX, other than following a Change of Control where the proponent of the Change of Control or one or more of its Associates acquires or holds a Relevant Interest in 100% of the Shares in the Issuer.

Director means a director of the Issuer.

Dividend means any dividend determined to be paid by the Board.

Dividend Record Date means the record date for a Dividend.

Employee Incentive Scheme Issue means any offer or issue of any awards under any employee incentive scheme adopted by the Issuer (including any performance rights or options in respect of Shares), and any issue of Shares under the terms of any such awards.

Event of Default means an event of default as set out in clause 14.1 of the Terms and Conditions.

Face Value has the meaning given in clause 2(a) in the Terms and Conditions.

Governmental Agency means any Australian or foreign government or a governmental, semi-governmental or judicial entity or authority. It also includes the NICC, OLGR, AUSTRAC, Australian Taxation Office, ASIC, and any self-regulatory organisation established under statute or a stock exchange (including the ASX) and equivalent bodies in jurisdictions outside Australia.

A person is **Insolvent** if it:

- (a) has had a controller (as defined in the Corporations Act) or trustee appointed;
- (b) is in liquidation or provisional liquidation; or
- (c) is under administration or has been wound up.

Interest Payment Date has the meaning given in clause 4.2(a)(i) of the Terms and Conditions.

Interest Period means in respect of a Convertible Note:

- (a) in relation to the first Interest Period, the period from (and including) the Issue Date of that Convertible Note to (but excluding) the earlier of the first Interest Payment Date, the Conversion Date for that Convertible Note or a Redemption Date; and
- (b) in relation to each subsequent Interest Period, the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the earlier of the next Interest Payment Date, the Maturity Date, the Conversion Date for that Convertible Note or a Redemption Date.

Issue Date means, in respect of a Convertible Note, the day on which the Issuer issues or issued that Convertible Note.

Issuer Group means the Issuer and its Subsidiaries, and **Issuer Group Member** means any of them.

Issuer Warranties means the warranties given by the Issuer pursuant to clause 13.1 of the Terms and Conditions.

Law means the following in force from time to time:

- (a) statutes, regulations, by-laws, ordinances, subordinate legislation and any policy enforceable under legislation;
- (b) the Listing Rules;
- (c) directions, requirements or guidelines of any Governmental Agency, including statutory instruments drafted by local governments, with which the Issuer or a Noteholder is legally required to comply; and
- (d) common law.

Listing Rules means the listing rules of the ASX, as amended from time to time.

Market Price means, in respect of a Share as at a particular date, the arithmetic average of the daily VWAP of that Share for the 5 consecutive Trading Days ending on such date.

Maturity Date means 2 July 2029.

NICC means the New South Wales Independent Casino Commission.

Noteholder means, in relation to a Convertible Note, the person who holds that Convertible Note, a successor or assignee of the Noteholder and, as the case may be, its liquidator(s).

Noteholder Redemption has the meaning given in clause 7.2(b) of the Terms and Conditions.

Noteholder Redemption Notice has the meaning given in clause 7.2(b) of the Terms and Conditions.

Noteholder's CHESS Account means a Noteholder's or its nominee's or designee's CHESS, custody, brokerage or prime brokerage account the details of which may from time to time be notified by the Noteholder to the Issuer.

Noteholders means all, or (as the context requires) some, of the persons who hold Convertible Notes.

OLGR means the Queensland Office of Liquor and Gaming Regulation.

Optional Redemption has the meaning given in clause 7.3(a) of the Terms and Conditions.

Optional Redemption Amount has the meaning given in clause 7.3(b)(iii) of the Terms and Conditions.

Optional Redemption Date has the meaning given in clause 7.3(b)(ii) of the Terms and Conditions.

Optional Redemption Notice has the meaning given in clause 7.3(a) of the Terms and Conditions.

Optional Redemption Notice Date has the meaning given in clause 7.3(b)(i) of the Terms and Conditions.

PIK Liability has the meaning given in clause 4.2(b)(ii) of the Terms and Conditions.

PPSA means the Personal Property Securities Act 2009 (Cth).

PPSA Security Interest has the same meaning as in section 12 of the PPSA.

Prescribed Redemption Event means any of the following events:

- (a) a Change of Control occurs; or
- (b) a Delisting occurs.

Prescribed Redemption Event Redemption Date has the meaning given in clause 7.2(c) of the Terms and Conditions.

Prospectus has the meaning given in clause 8.2(a).

Redemption Date means the Optional Redemption Date or the Prescribed Redemption Event Redemption Date.

Redemption Price means, in respect of a Noteholder:

- (a) the Amount Outstanding in respect of that Noteholder at the Redemption Date; or
 - (b) if the Issuer has not issued a Prospectus prior to the occurrence of the applicable Prescribed Redemption Event or Maturity Date (including the issuance of a prospectus as contemplated by the Subscription Agreement), the higher of:
 - (i) the Amount Outstanding in respect of that Noteholder at the Redemption Date; and
 - (ii) the cash settled value for the Convertible Notes held by the Noteholder on the Redemption Date on an as converted basis, calculated by multiplying the number of Conversion Shares that would have been issued on Conversion of those
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Convertible Notes by the arithmetic average of the daily VWAP of the Shares for the 15 consecutive Trading Days prior to the occurrence of the Prescribed Redemption Event or the Maturity Date (as applicable), plus any accrued but unpaid interest (for the avoidance of doubt, including any PIK Liability then outstanding).

Redemption Trigger has the meaning given to that expression in clause 7.3(a).

Regulatory Approvals has the meaning set out in the Subscription Agreement entered into by the Issuer and the Subscribers on or about the date of this Deed Poll.

Related Body Corporate has the meaning set out in the Corporations Act.

Relevant Interest has the meaning set out in the Corporations Act.

Security Interest means

- (a) an interest or power reserved in or created or otherwise arising in or over an interest in any asset whether under a bill of sale, mortgage, charge, lien, pledge, other security interest or preferential arrangement (including retention of title), trust or power or otherwise by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation;
- (b) a PPSA Security Interest; or
- (c) any agreement to grant or create anything referred to in either of paragraphs (a) or (b) of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset.

Senior Agent means Global Loan Agency Services Australia Pty Ltd (ACN 608 829 303).

Senior Facility Agreement means the document entitled 'Syndicated Facility Agreement – Project Pirrama' dated 8 November 2023 between, among others, the Issuer and the Senior Agent, as amended from time to time.

Senior Lender means each 'Lender' (from time to time and as defined under the Senior Facility Agreement).

Senior Security Trustee means Global Loan Agency Services Australia Nominees Pty Ltd (ACN 608 945 008).

Share means an ordinary fully paid share in the capital of the Issuer.

Shareholder means a holder of a Share.

Shareholder Approval means the Issuer having received the approval of the requisite majority of Shareholders for the issue of the Convertible Notes to the Subscribers, including for the purposes of, and under, section 611 item 7 of the Corporations Act and Listing Rule 7.1.

Subordination Deed means:

- (a) the subordination deed poll entered into by each Subscriber and the Issuer on or about the date of the Subscription Agreement; or
- (b) a subordination deed poll entered into by a Noteholder in accordance with the Senior Facility Agreement in favour of the Senior Agent, the Senior Security Trustee and each Senior Lender.

Subscriber means a party to a Subscription Agreement under which Convertible Notes are issued.

Subscription Agreement means the subscription agreement executed as of the date of this Deed Poll between the Issuer and the Subscriber.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is controlled by that entity (as 'control' is defined in section 50AA of the Corporations Act) and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity,
- (d) and Subsidiaries means more than one of them.

Tax means any tax, levy, impost, duty assessment or governmental charge of any kind imposed, levied, collected, withheld or assessed by or on behalf of an Governmental Agency (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Convertible Note, the Terms and Conditions or this Deed Poll.

Terms and Conditions means the terms of the Convertible Notes as set out in the Schedule to this Deed Poll.

Trading Day has the meaning given to that term in the Listing Rules.

Tranche 2 Issue Date has the meaning set out in the Subscription Agreement entered into by the Issuer and the Subscribers on or about the date of this Deed Poll.

VWAP means in respect of a Share on any Trading Day the volume-weighted average price on ASX on such Trading Day published by or derived from Bloomberg page SGR AU Equity HP (setting Weighted Average Line and using values not adjusted for any event occurring after such Trading Day, and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page switched off) for such Share.

1.2 Interpretation and other

The following rules of interpretation apply in this Deed Poll (including the Terms and Conditions), unless the contrary intention appears or the context otherwise requires.

- (a) Headings are for convenience only and do not affect interpretation.
 - (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
 - (c) Nothing in this Deed Poll is to be interpreted against a party solely on the ground that the party put forward this Deed Poll or a relevant part of it.
 - (d) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
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- (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause, Schedule or Annexure is a reference to a clause of, or Schedule or Annexure to, this Deed Poll unless otherwise indicated.
 - (vi) A reference to an agreement or document (including a reference to this Deed Poll) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Deed Poll or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a party to this Deed Poll or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
 - (xi) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
 - (xii) A reference to Australian dollars or A\$ is to Australian currency.
 - (xiii) A reference to time is to Sydney, New South Wales, Australia time.
 - (xiv) A reference to a page or screen of an information service displaying a rate shall include:
 - (A) any replacement page of that information service which displays that rate; and
 - (B) the appropriate page of such other information service which displays that rate from time to time in place of that information service, and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Issuer.
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2 Obligations of the Issuer

2.1 Creation of the Convertible Notes

- (a) The obligations of the Issuer under the Convertible Notes are constituted by, and specified in, this Deed Poll.
- (b) The Issuer has created and will create the Convertible Notes in accordance with the Subscription Agreement. The Issuer will inscribe the details of those Convertible Notes in the Convertible Notes Register in accordance with the Terms and Conditions.
- (c) The Convertible Notes are issued in registered form by entry in the Convertible Notes Register.
- (d) No Convertible Note shall be invalid or unenforceable on the ground that it was issued in breach of this Deed Poll or the Subscription Agreement or any condition precedent to the issue of any Convertible Note was not satisfied.

2.2 Undertaking to comply

- (a) The Issuer undertakes, with respect to each Convertible Note issued by it, to pay or satisfy any amounts payable by it under that Convertible Note in accordance with the Terms and Conditions and otherwise to comply with the Terms and Conditions.
- (b) The obligations of the Issuer under clause 2.2(a) are discharged to the extent:
 - (i) interest is paid on a Convertible Note in accordance with the Terms and Conditions (in respect of any interest payable by the Issuer) and the Convertible Note is redeemed (in respect of any principal payable by the Issuer); or
 - (ii) the Convertible Note is converted on a Conversion Date in accordance with the Terms and Conditions, provided any accrued interest is paid in accordance with clause 4.2 of the Terms and Conditions.

2.3 The Convertible Notes Register

- (a) The Issuer will ensure that a Convertible Notes Register is established and maintained in accordance with the Terms and Conditions.
- (b) Entries in the Convertible Notes Register in relation to a Convertible Note are conclusive evidence of the things to which they relate (including that the person entered as a Noteholder is the owner of the Convertible Note) subject to correction for fraud, manifest error or omission.

2.4 Production of this Deed Poll

The Issuer undertakes to provide to each Noteholder a certified copy of this Deed Poll.

3 Noteholders

3.1 Benefit and enforcement

- (a) This Deed Poll is executed as a deed poll for the benefit of each person who is from time to time a Noteholder.
- (b) Each Noteholder may enforce this Deed Poll, despite not being a party to this Deed Poll, whether or not the Noteholder exists at the time this Deed Poll is executed and delivered.
- (c) A Noteholder may enforce its rights under this Deed Poll independently from any other Noteholder.
- (d) This Deed Poll may not be amended or assigned by the Issuer (and the Issuer may not assign any of its rights and obligations under this Deed Poll) without the prior written consent of the Noteholders.

3.2 Noteholders bound

Each Noteholder, and any person claiming through a Noteholder, who asserts an interest in a Convertible Note is bound by this Deed Poll.

3.3 No third party beneficiaries

This Deed Poll is intended for the benefit of the Issuer and the Noteholders, and their respective successors and permitted assignees only, and does not benefit or create any right, obligation to, or cause of action in or on behalf of, any other person, and no other person may enforce any provision of this Deed Poll.

4 Governing law and jurisdiction

This Agreement is governed by the Laws of New South Wales. Each party submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Executed and delivered as a Deed Poll in New South Wales.

Executed in accordance with section 127 of the Corporations Act 2001 by The Star Entertainment Group Limited:

/s/ Steve McCann	/s/ Anne Ward
Director Signature	Director/Secretary Signature
Steve McCann	Anne Ward
Print Name	Print Name

Schedule

Terms and Conditions

1 Definitions and Interpretation

- (a) In these Terms and Conditions a reference to a clause is to a clause of these Terms and Conditions unless expressly stated otherwise.
- (b) The provisions of clause 1 of the Convertible Notes deed poll to which the form of these Terms and Conditions is attached as a Schedule (the **Deed Poll**) form part of these Terms and Conditions as if set out in full in these Terms and Conditions.

2 Form, title and denomination

- (a) The aggregate principal amount of the Convertible Notes is a maximum of \$300,000,000 divided into a maximum of 3,750,000,000 Convertible Notes each with a face value of \$0.08 (**Face Value**).
- (b) The Terms and Conditions are binding on the Issuer and the Noteholders and all persons claiming through or under them respectively.
- (c) Title to the Convertible Notes shall be evidenced by, and transfer of the Convertible Notes may only be effected through, registration in a register (**Convertible Notes Register**) maintained by the Issuer.
- (d) The Convertible Notes are not and are not proposed to be admitted to trading or listing on any stock or securities exchange or market.

3 No shareholder rights

Unless converted into a Share in accordance with these Terms and Conditions, the Convertible Notes do not confer on any Noteholder (in its capacity as such) any entitlement to:

- (a) vote at a general meeting of Shareholders;
- (b) receive dividends; or
- (c) participate in any issue of securities.

4 Interest

4.1 Accrual

- (a) Interest accrues from day to day on the Aggregate Convertible Notes Amount Outstanding at the Coupon Rate for each Interest Period and is payable quarterly in
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arrears in accordance with clause 4.2. Any interest shall be calculated on the basis of a 365 day year.

- (b) For the avoidance of doubt, no Coupon Rate is payable in respect of Convertible Notes which have not been issued, nor any Convertible Notes which have been converted into Shares or redeemed in accordance with the terms of this Deed Poll.

4.2 Payment of Interest

- (a) Subject to clauses 4.2(b) to 4.2(f) below, the Issuer must pay interest accrued on the Aggregate Convertible Notes Amount Outstanding in accordance with clause 4.1 above to each Noteholder:
 - (i) quarterly in arrears, commencing on the date that is 3 months after the Issue Date, each such date being an **Interest Payment Date**;
 - (ii) if any Convertible Note is converted or redeemed before an Interest Payment Date, on the relevant Conversion Date or Redemption Date; and
 - (iii) on the Maturity Date, if there are any amounts of interest outstanding by such date.
 - (b) At the Issuer's election, and subject to the terms of the Subordination Deed, any quarterly interest payment amount can be paid:
 - (i) in cash; or
 - (ii) in kind via an increase in a separate cash liability (the **PIK Liability**) and not via an increase in the sum total of the Face Value of the Convertible Notes that are held by a Noteholder .
 - (c) The Issuer shall be deemed to have elected to incur or increase the PIK Liability for each applicable Interest Payment Date without the need for notice to the Noteholder for so long as the Senior Facility Agreement remains outstanding and the Subordination Deed remains in place, following which it may change such election by notice in writing to the Noteholder at any time on not less than 5 Business Days' notice prior to the next Interest Payment Date.
 - (d) If the Issuer elects to pay one or more interest payments in kind, the Issuer may make one or more payments to the Noteholder prior to the Maturity Date to reduce or extinguish the then outstanding PIK Liability by notice in writing to the Subscriber at any time no less than 5 Business Days' prior to the next Interest Payment Date. Such payments can, at the Issuer's sole election, be in cash or can be satisfied by the issue of the number of Shares calculated in accordance with clause 4.2(e), provided that the issue of such Shares does not result in any breach of applicable Laws.
 - (e) The number of Shares to be issued under clause 4.2(d) will be determined based on the arithmetic average of the daily VWAP of the Shares for the 15 consecutive Trading Days
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immediately preceding the date the Issuer provides notice to the Noteholder of such payment.

- (f) The Issuer must comply with clause 8 in respect of any Shares issued under clause 4.2(d).
- (g) Subject to these Terms and Conditions, the PIK Liability shall otherwise become due and payable on the Maturity Date subject to the Subordination Deed.

4.3 Payment, Default Interest and Delay in Payment

- (a) If the date scheduled for any payment under these Terms and Conditions is not a Business Day, then the payment will be made on the next Business Day.
- (b) If the Issuer fails to pay any sum in respect of the Convertible Notes when the sum becomes due and payable under these Terms and Conditions, interest shall accrue on the overdue sum at the Coupon Rate plus Default Interest Rate from the due date. Such default interest shall be calculated on the basis of a 365 day year.
- (c) Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due:
 - (i) as a result of the due date not being a Business Day; or
 - (ii) if a Noteholder does not provide the necessary account details for payment in accordance with these Terms and Conditions.

4.4 Notification of Tax Deduction

- (a) The Issuer must make all payments to be made by it under a Convertible Note, the Terms and Conditions or this Deed Poll without any Tax Deduction unless such Tax Deduction is required by Law.
- (b) The Issuer must promptly, on becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the Subscriber / Noteholder (as relevant) accordingly.
- (c) If the Issuer is required to make a Tax Deduction, the Issuer must make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Law.
- (d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Issuer making that Tax Deduction is to deliver to the Subscriber / Noteholder (as relevant) evidence satisfactory to the Subscriber / Noteholder (as relevant), acting reasonably, that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant Governmental Agency.

5 Rights of a Noteholder and Subordination

- (a) The rights of a Noteholder against the Issuer for the Amount Outstanding:
 - (i) rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;
 - (ii) are of equal ranking with other Noteholders; and
 - (iii) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer, subordinated to the Senior Facility Agreement in accordance with the terms of the Subordination Deed.
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- (b) The ranking of Convertible Notes is not affected by the date of registration of any Noteholder in the Convertible Notes Register.

6 Conversions

6.1 Conversions at election of a Noteholder

- (a) Subject to these Terms and Conditions, a Noteholder may elect in its discretion to convert some or all of its Convertible Notes (a **Conversion**) into Shares at any time during a Conversion Period, by providing the Issuer with a notice (each, a **Conversion Notice**), specifying:
- (i) the number and that part of the Face Value of the Convertible Notes held by the Noteholder (or the sum total of the Face Value of the Convertible Notes that are held by the Noteholder if all outstanding Convertible Notes are being converted) corresponding to such number (the **Conversion Amount**);
 - (ii) the number of Shares that the Issuer must issue to the Noteholder in respect of the Conversion (the **Conversion Shares**). That number must be determined by dividing the Conversion Amount by the Conversion Price. If the resultant number contains a fraction, the number must be rounded up to the next highest whole number; and
 - (iii) the details of the Noteholder's CHES Account or Securityholder Reference Number into which the relevant Shares are to be delivered in accordance with these Terms and Conditions,
- (b) and, following the receipt of a Conversion Notice, the Issuer must effect the Conversion specified in that Conversion Notice by issuing to the Noteholder in accordance with these Terms and Conditions (including clause 8), the Conversion Shares on the Conversion Date.
- (c) The number of Conversion Shares to be issued in accordance with clause 6.1(a) above shall be subject to any restrictions in the constitution of the Issuer or under any applicable Laws, including for the avoidance of doubt, the Regulatory Approvals to the extent applicable to the particular Conversion.
- (d) Each Noteholder agrees that on the issue to it of any Shares on Conversion, it will be bound by the constitution of the Issuer.
- (e) If, after the Shareholder Approval is obtained, a further approval of Shareholders (**Further Shareholder Approval**) is required in respect of any Conversion and such Conversion would result in the Noteholder breaching section 606 of the Corporations Act, the Issuer must take steps necessary to obtain the Further Shareholder Approval, including by:
- (i) convening and holding a general meeting of Shareholders to obtain the Further Shareholder Approval; and
 - (ii) preparing and despatching all documents required or necessary for such meeting:
 - (A) in accordance with all applicable Laws, including the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 74 and the Listing Rules; and
 - (B) which includes statements of the Board collectively, and the Directors individually, in respect of its and their recommendation that Shareholders vote in favour of the Further Shareholder Approval and intention to vote,
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- or cause to be voted, all Shares in which they have a Relevant Interest in favour of the Further Shareholder Approval;
- (iii) consulting with the Noteholder as to the content and presentation of all documents required or necessary for the Further Shareholder Approval which includes:
 - (A) providing to the Noteholder successive drafts of such documents (including an independent expert's report, if necessary) for the purposes of enabling the Subscriber to review and comment on those draft documents, provided that, in relation to the independent expert's report (if necessary), the Noteholder's review is to be limited to a factual accuracy review;
 - (B) consulting with the Noteholder in relation to the content and presentation of such documents; and
 - (C) taking all reasonable comments made by or on behalf of the Noteholder into account in good faith when producing a revised draft of such documents are reasonable; and
 - (iv) ensuring that any material public statement or announcement relating to the Further Shareholder Approval includes statements of the Board collectively, and the Directors' individually, in respect of its and their recommendation that Shareholders vote in favour of the Further Shareholder Approval and intention to vote, or cause to be voted, all Shares in which they have a Relevant Interest in favour of the Further Shareholder Approval.

7 Redemptions

7.1 Redemption at Maturity

- (a) To the extent that as at the Maturity Date there is an Amount Outstanding in respect of a Noteholder (which shall not include the sum total of the Face Value in respect of any Convertible Notes for which that Noteholder has validly issued a Conversion Notice to the Issuer in respect of such Convertible Notes pursuant to Clause 6.1(a)), the Convertible Notes held by that Noteholder will be automatically redeemed on the Maturity Date at the Redemption Price for that Noteholder.
- (b) If requested by the Issuer on or around the date that is 12 months prior to the Maturity Date and quarterly thereafter until the Maturity Date, the Noteholder and the Issuer will engage in good faith discussions regarding the Noteholder's intention with respect to the Convertible Notes, including whether the Noteholder intends to convert the Convertible Notes before the Maturity Date or to have the Convertible Notes redeemed on the Maturity Date.

7.2 Redemption at option of a Noteholder following a Prescribed Redemption Event

- (a) The Issuer must promptly notify (and in any case within 2 Business Days) the Noteholder in writing upon becoming aware of any fact, matter or circumstance that may reasonably be expected to lead to a Prescribed Redemption Event, provided that such notification must contain a reasonable summary of the fact, matter or circumstance in sufficient detail and otherwise to a sufficient extent (to the extent the details are known at the applicable time).
 - (b) Subject to this Deed Poll and the terms of the Subordination Deed, provided the Issuer has provided notice required by clause 7.2(a), a Noteholder may by notice in writing
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(**Noteholder Redemption Notice**) no later than 10 Business Days following the occurrence of a Prescribed Redemption Event (or such longer period consented to by the Issuer in writing), elect in its discretion to redeem all of the Noteholder's Convertible Notes (**Noteholder Redemption**) and require the Issuer to pay to that Noteholder the Redemption Price. The Noteholder Redemption Notice must specify:

- (i) the applicable Prescribed Redemption Event giving rise to the Noteholder Redemption; and
 - (ii) the Redemption Price and the Aggregate Convertible Notes Amount Outstanding with respect to the Convertible Notes being redeemed.
- (c) Following receipt of a Noteholder Redemption Notice, the Issuer will be required to pay to the Noteholder, within 120 days of such Noteholder Redemption Notice (**Prescribed Redemption Event Redemption Date**), the Redemption Price, together with any accrued but unpaid interest.
- (d) Once a Noteholder Redemption Notice has been given under clause 7.2(a), the Noteholder will not have the right to convert the Convertible Notes that are subject to the Noteholder Redemption Notice.

7.3 Redemption at option of the Issuer

- (a) Notwithstanding the terms of this Deed Poll, if a Change of Control occurs:
- (i) under a takeover bid under Chapter 6 of the Corporations Act and that takeover bid has become unconditional and the bidder and its Associates have acquired a Relevant Interest in at least 50% of the Shares; or
 - (ii) under a scheme of arrangement under Part 5.1 of the Corporations Act and the acquirer and its Associates become entitled to acquire 100% of the Shares (which, for the avoidance of doubt, will occur on the scheme effective date),
 - (iii) (each a **Redemption Trigger**), and following the occurrence of the Redemption Trigger, a Noteholder has not converted all of its outstanding Convertible Notes or redeemed all of its outstanding Convertible Notes, the Issuer may by notice in writing to the Noteholder (**Optional Redemption Notice**) within 5 Business Days of such Redemption Trigger, elect to redeem all of the Noteholder's Convertible Notes (**Optional Redemption**) and pay to that Noteholder the Aggregate Convertible Notes Amount Outstanding on those Convertible Notes (excluding any Convertible Notes for which the Noteholder has validly issued a Conversion Notice to the Issuer pursuant to this Deed Poll prior to the Issuer issuing such Optional Redemption Notice).
- (b) An Optional Redemption Notice must specify:
- (i) the date of the Optional Redemption Notice (the **Optional Redemption Notice Date**);
 - (ii) that all Convertible Notes held by a Noteholder are to be redeemed and the date of redemption (the **Optional Redemption Date**); and
 - (iii) the Aggregate Convertible Notes Amount Outstanding as at the Optional Redemption Date with respect to the Convertible Notes being redeemed (the **Optional Redemption Amount**),
- and, following the receipt of an Optional Redemption Notice, the Noteholder may elect to:
- (iv) do nothing, in which case the Issuer will pay the Optional Redemption Amount on the Optional Redemption Date into an account nominated by the Noteholder; or
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- (v) have the sum total of the Face Value of the Convertible Notes that are held by the Noteholder converted into Shares by providing a notice substantially in the form of a Conversion Notice to the Issuer within 20 Business Days of the Optional Redemption Notice Date, or such shorter period as is required to allow Conversion to occur prior to the record date for a scheme of arrangement under Part 5.1 of the Corporations Act.
- (c) If the option in clause 7.3(b)(v) above is chosen by the Noteholder, the procedure described in clause 6.1(a) will apply in respect of the issuance of the corresponding Conversion Shares.
- (d) Any existing or remaining Amount Outstanding must be paid by the Issuer to the Noteholder on the Optional Redemption Date. Such payments can, at the Issuer's sole election, be in cash or can be satisfied by the issue of the number of Shares calculated in accordance with clause 7.3(e), provided that the issue of such Shares does not result in any breach of applicable Laws and the Issuer complies with clause 8.
- (e) The number of Shares to be issued under clause 7.3(d) will be determined based on the arithmetic average of the daily VWAP of the Shares for the 15 consecutive Trading Days immediately preceding the date the Issuer provides notice to the Noteholder of such payment (except in the case of a scheme of arrangement under Part 5.1 of the Corporations Act, in which case it will be based on the arithmetic average of the daily VWAP of the Shares for the 15 consecutive Trading Days prior to the scheme effective date).

8 Requirements for the issue of Conversion Shares or Shares

8.1 ASX filing and quotation

As soon as practicable following the issue of any Conversion Shares or Shares under these Terms and Conditions, the Issuer must duly execute and lodge with the ASX in accordance with all applicable Laws, an Appendix 2A to apply for quotation of those Conversion Shares or Shares (as the case may be).

8.2 Issue of a Prospectus

The Issuer must:

- (a) on or prior to the Tranche 2 Issue Date lodge with ASIC a disclosure document complying with Chapter 6D of the Corporations Act in respect of an offer of Shares, if necessary to ensure that the on-sale restrictions in the Corporations Act will not apply in respect of any Conversion Shares or Shares (**Prospectus**); and
- (b) lodge with ASIC any supplementary or replacement prospectus in relation to the Prospectus in each circumstance contemplated by section 719(1) or section 719(1A) of the Corporations Act.

8.3 Electronic Delivery

The Issuer must ensure that all Conversion Shares or Shares when issued under these Terms and Conditions are received by the relevant Noteholder (or its designee or nominee), at its election, by electronic registration to the Noteholder's CHESS Account (as specified by the Noteholder) in accordance with the ASX Settlement Operating Rules or issued to a Securityholder Reference Number for the Noteholder.

8.4 Ranking of the Conversion Shares or Shares

The Issuer must ensure that the Conversion Shares or any other Shares that may be issued under these Terms and Conditions:

- (a) rank equally in all respects with the existing Shares on the date of issue of the relevant Shares;
- (b) are issued fully paid, free and clear of any Security Interests; and
- (c) subject to lodgement of a Prospectus with ASIC in accordance with clause 8.2, are freely tradeable on the ASX.

9 Convertible Notes Register

9.1 Register

- (a) The Issuer will establish and keep a register of the Convertible Notes (the **Convertible Notes Register**).
- (b) The Issuer must record in the Convertible Notes Register:
 - (i) the name and address of each Noteholder;
 - (ii) the date of issue and, if applicable, transfer of the Convertible Notes;
 - (iii) the number of Convertible Notes held by each Noteholder and the Aggregate Convertible Notes Amount Outstanding in respect of that Noteholder; and
 - (iv) in respect of any Convertible Notes that have been cancelled, details of the redemption or conversion of those Convertible Notes.
- (c) On the request of a Noteholder, the Issuer must provide to the Noteholder a copy of the Convertible Notes Register free of charge within five Business Days after the making of the request.
- (d) The Issuer may appoint a person to maintain the Convertible Notes Register or any subregister thereof as the Issuer's attorney.

9.2 Errors

The making of, or a failure to make, or the giving effect to an error in, an entry in the Convertible Notes Register will not avoid the due constitution, issue, conversion, redemption or transfer (in accordance with these Terms and Conditions) of a Convertible Note. The Issuer must correct, or cause to be corrected, any error of which it becomes aware.

10 Adjustments

- (a) If and whenever there is a consolidation, reclassification or subdivision in relation to the Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares on issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

B is the aggregate number of Shares on issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (b) If and whenever the Issuer issues any Shares credited as fully paid to the Shareholders as a class by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than:
- (i) where any such Shares are or are to be issued instead of the whole or part of a cash Dividend which the Shareholders would or could otherwise have elected to receive or received;
 - (ii) where the Shareholders may elect to receive a Dividend in cash in lieu of such Shares; or
 - (iii) where any such Shares are or are expressed to be issued in lieu of a Dividend (whether or not a cash Dividend or equivalent amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise),

the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares on issue immediately before such issue; and

B is the aggregate number of Shares on issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares.

- (c) If and whenever the Issuer shall distribute any Dividend to Shareholders, in relation to each Convertible Note for which the Conversion Date will not occur on or prior to the record date of the Dividend (**Dividend Record Date**), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the adjustment becoming effective by the following fraction:

$$\frac{A - B}{A}$$

where:

- (i) A is the Market Price of one Share on the Trading Day immediately preceding the first date on which the Shares are traded ex-the relevant Dividend; and
- (ii) B is the amount of the Dividend per Share on the date of such announcement of the Dividend.

The Conversion Price as adjusted pursuant to this clause shall apply, with effect from and including the first date on which the Shares are traded ex-the relevant Dividend, to each Convertible Note for which the Conversion Date will not occur on or prior to the Dividend Record Date.

- (d) If and whenever the Issuer shall issue, grant or offer Shares to all or substantially all of the Shareholders as a class by way of rights as a result of which, in each case, Shareholders have the right to acquire Shares at a price per Share which is less than 95 per cent of the Market Price per Share on the Trading Day immediately preceding the

date of the first public announcement of the terms of issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the first date on which the Shares are traded ex-rights by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- (i) A is the number of Shares on issue at the close of business on the Trading Day immediately preceding the date of such announcement;
- (ii) B is the number of Shares which the Total Consideration would purchase at the Market Price per Share on the Trading Day immediately preceding the date of first public announcement of the terms of the issue or grant;
- (iii) C is the number of Shares to be issued under the issue, grant or offer; and
- (iv) Total Consideration is the amount equal to the price per share under the issue multiplied by the number of Shares to be issued.

The Conversion Price as adjusted pursuant to this clause shall apply, with effect from and including the first date on which the Shares are traded ex-rights on the ASX (or any applicable securities exchange on which the Shares are quoted or listed).

- (e) Other than with respect to any Employee Incentive Scheme Issue, if and whenever the Issuer shall issue, wholly for cash, any Shares at a price per Share which is less than 95 per cent of the Market Price per Share on the Trading Day immediately preceding the date of the first public announcement of the terms of issue (other than Shares issued on conversion of the Convertible Notes), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date of issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- (i) A is the number of Shares on issue at the close of business on the Trading Day immediately before the issue of such Shares;
- (ii) B is the number of Shares which the Total Consideration would purchase at the Market Price per Share on the Trading Day immediately preceding the date of first public announcement of the terms of the issue;
- (iii) C is the number of Shares to be issued; and
- (iv) Total Consideration is the amount equal to the price per Share under the issue multiplied by the number of Shares to be issued.

The Conversion Price as adjusted pursuant to this clause shall apply, with effect from and including the date of issue of such Shares.

- (f) The intent of this clause 10 is to maintain the relative benefit and burden to the Noteholder and the Issuer of their respective economic bargains.
- (g) If:
 - (i) one or more events or circumstances affecting the Issuer or the capital structure of the Issuer not referred to in this clause 10 occurs; or

- (ii) the Issuer determines that the application of any of the provisions in this clause 10 results in an adjustment to the Conversion Price that is not fair or reasonable to protect the interests of the Noteholders in the reasonable opinion of the Issuer or the Noteholders,
- (iii) the Issuer and the Noteholders shall consult in good faith to determine and agree as soon as practicable what adjustment (if any) to the Conversion Price, or to these Terms and Conditions, is fair and reasonable to protect the rights and interests of the Noteholders taking account of that event or circumstance and the intent and spirit of this clause 10.
- (h) When the Issuer becomes aware of a fact that may give rise to an adjustment under this clause 10, the Issuer must promptly notify each Noteholder of the specifics of the fact that may give rise to such adjustment.

11 Cancellation of Convertible Notes

All Convertible Notes duly redeemed or converted (in accordance with these Terms and Conditions) will be automatically cancelled.

12 Transferability

Subject to the terms of the Subordination Deed, and any required Regulatory Approvals or Senior Lender approvals in connection with any such transfer, a Noteholder may transfer (including by way of assignment) any of its Convertible Notes (or any direct or indirect legal, economic or equitable interest in the Convertible Notes) to another party upon written notice to the Issuer.

13 Representations and warranties

13.1 Warranties by the Issuer

The Issuer represents and warrants to the Noteholder that each of the following statements is true, correct, and complete as at the date of each Conversion or any date on which the Issuer issues Shares to the Noteholder under these Terms and Conditions:

- (a) **(Conversion Shares)** All Conversion Shares or Shares to be issued under these Terms and Conditions:
 - (i) will be issued credited as fully-paid and will not be subject to calls for further funds;
 - (ii) will not be subject to any restriction on voting (where voting rights are attached to the relevant security) or transfer under the constitution of the Issuer, or any agreement to which the Issuer is party;
 - (iii) will rank *pari passu* with the issued securities in the same class on the relevant issue date; and
 - (iv) will be duly quoted and, subject to lodgement of a Prospectus with ASIC in accordance with clause 8.1, freely tradeable on the ASX.
 - (b) **(Consents)** Other than ASX approval to the quotation of Shares, and subject to the Shareholder Approval and Regulatory Approvals, all actions or things required to be taken, fulfilled or done (including without limitation the obtaining of any consent or licence or the making of any filing or registration) for the creation and issue of the Conversion Shares or Shares to be issued under these Terms and Conditions under any existing
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applicable Law, rule, regulation, judgment, order or decree of any Governmental Agency binding on the Issuer have been done or obtained and are in full force and effect.

- (c) **(Compliance)** The issue of the Conversion Shares or any other Shares to be issued under these Terms and Conditions do not and will not:
 - (i) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the constitution of the Issuer, or any indenture, trust deed, mortgage or other agreement or instrument to which the Issuer or any of its Related Bodies Corporate is a party or by which any of them is bound; or
 - (ii) infringe any existing applicable Law, rule, regulation, judgment, order or decree of any Governmental Agency.
- (d) **(Capacity and authorisation)** As at the date of each Conversion or date of issuance of Shares under these Terms and Conditions, it has full power and capacity to issue the Conversion Shares or Shares (as the case may be), and the Issuer has taken all necessary corporate or other action to approve and authorise the issue of the Conversion Shares or other Shares to be issued under these Terms and Conditions on the terms set out in this Deed Poll.

13.2 Separate Warranties

Each Issuer Warranty is to be treated as a separate representation and warranty. The interpretation of any Issuer Warranty made may not be restricted by reference to or inference from any other Issuer Warranty.

13.3 Notice

The Issuer must immediately notify each Noteholder upon becoming aware of any breach of any representation or warranty by it under this Deed Poll.

13.4 Breach of representation or warranty

The Issuer is in breach of an Issuer Warranty if any of the statements it represents and warrants is untrue, incorrect, or incomplete including by omission.

13.5 Representations and warranties

Each Issuer Warranty in this Deed Poll survives the execution and delivery of this Deed Poll, the completion of the arrangements for the subscription and issue of the Convertible Notes.

14 Default

14.1 Events of default

Each of the following constitutes an **Event of Default**.

- (a) **(Default)** The Issuer defaults on any payment under or fails to comply in a material respect with any other material term of, this Deed Poll.
 - (b) **(Cross default)** Any financial indebtedness of the Issuer or another Issuer Group Member in excess of \$50,000,000:
 - (i) is not paid when due (or within an applicable grace period); or
 - (ii) becomes due and payable before its stated maturity or expiry.
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- (c) **(Insolvency)** An Issuer Group Member becomes Insolvent.

14.2 Notification by Issuer

The Issuer must notify all the Noteholders as soon as reasonably practicable, giving full details, upon the occurrence or likely occurrence of any Event of Default.

14.3 Cure

The Issuer must upon the occurrence of any Event of Default other than that provided in clause 14.1(c) above (in respect of which there will be no cure period), take all reasonable steps to cure such Event of Default within 20 Business Days from the date on which any notification contemplated by clause 14.2 is provided by the Issuer to the Noteholder in writing (**Cure Date**).

14.4 Rights of the Noteholders upon default

- (a) If any Event of Default occurs and it has not been cured in accordance with clause 14.3 by the Cure Date (to the extent applicable) to the reasonable satisfaction of a Noteholder or is incapable of being cured, that Noteholder may, subject to the provisions of the Subordination Deed, redeem, by notice (**Default Notice**) to the Issuer, the Convertible Notes held by that Noteholder, whereupon the Issuer must within 120 days of such notice, pay that Noteholder the Amount Outstanding in respect of that Noteholder calculated as at the date of such payment.
- (b) If a Noteholder makes a declaration or takes any action under this clause 14.4(a), such declaration or taking of action does not affect the obligations of the Issuer under this Deed Poll and the Issuer must continue to perform them as if the declaration or action had not been made or taken, subject to any directions to the contrary given by such Noteholder.
- (c) Where a Noteholder has given a Default Notice pursuant to clause 14.4(a), interest shall accrue from day to day on the Amount Outstanding at the Coupon Rate plus the Default Interest Rate from the date of the Default Notice. Such interest shall be calculated on the basis of a 365 day year.

14.5 Suspension of Conversion

Upon the occurrence of an Event of Default, any ongoing or subsequent Conversions will be automatically suspended for such time as the Event of Default continues or until the Noteholder otherwise notifies the Issuer.

14.6 No liability of Noteholders

No Noteholder is liable to the Issuer for any loss that the Issuer may suffer, incur or be liable for arising out of or in connection with a Noteholder exercising any of its rights in accordance with this Deed Poll.

15 Time of the essence

With regard to all dates and time periods set out or referred to in these Terms and Conditions time is of the essence.

16 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or person duly authorised by the sender);
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address number or email address below or the address or email address last notified by the intended recipient to the sender:

- (i) to Issuer:
 - Address: Level 3, 159 William Street, Brisbane QLD 4000
 - Email: legal@star.com.au
 - craig.busch@star.com.au
 - Attention: Group Chief Legal Counsel / Craig Busch
- (ii) to Noteholder: the address or e-mail address as set out in the Convertible Notes Register.

- (c) will be conclusively taken to be duly given or made and received:
 - (i) in the case of delivery in person, when delivered;
 - (ii) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
 - (iii) if sent by email, the first to occur of:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered or an automated 'out of office' reply.

but if the result is that a Notice would be taken to be given or made and received:

- (1) in the case of delivery by hand or post, at a time that is later than 5pm;
- (2) in the case of delivery by email, at a time that is later than 5pm; or
- (3) on a day that is not a business day,

in the place specified by the intended recipient as its postal address under clause 16(b), it will be conclusively taken to have been duly given or and received at the start of business on the next business day in that place.

- (d) Any notice provided for in these Terms and Conditions may be waived in writing by the person entitled to receive such notice, either before or after the event.
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BALLY'S CORPORATION

CERTIFICATION

I, Robeson M. Reeves, certify that:

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

Date: August 11, 2025

By: /s/ ROBESON M. REEVES

Robeson M. Reeves
Chief Executive Officer
(Principal Executive Officer)

BALLY'S CORPORATION

CERTIFICATION

I, Vladimira Mircheva, certify that:

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

Date: August 11, 2025

By: /s/ VLADIMIRA MIRCHEVA

Vladimira Mircheva
Chief Financial Officer
(Principal Financial Officer)

BALLY'S CORPORATION

CERTIFICATION

In connection with the Quarterly Report of Bally's Corporation (the "Company") on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Robeson M. Reeves, Chief Executive Officer of the Company, hereby certify as of the date hereof, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: August 11, 2025

By: /s/ ROBESON M. REEVES

Robeson M. Reeves
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

BALLY'S CORPORATION

CERTIFICATION

In connection with the Quarterly Report of Bally's Corporation (the "Company") on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Vladimira Mircheva, Chief Financial Officer of the Company, hereby certify as of the date hereof, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: August 11, 2025

By: /s/ VLADIMIRA MIRCHEVA

Vladimira Mircheva
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.