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 September 30, 2021

OR

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

For the transition period from to

Commission File No. 001-36629

CAESARS ENTERTAINMENT, INC.
(Exact name of registrant as specified in its charter)

Delaware	**46-3657681**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

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

(775) 328-0100
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)
Securities registered pursuant to Section 12(b) of the Act:

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

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

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

The number of shares of the Registrant's Common Stock, $0.00001 par value per share, outstanding as of October 29, 2021 was 213,774,052.

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PART I - FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

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

(In millions)	September 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,072	$ 1,776
Restricted cash and investments	302	2,021
Accounts receivable, net	438	342
Due from affiliates	—	44
Inventories	45	44
Prepayments and other current assets	256	253
Assets held for sale ($0 and $130 attributable to our VIEs)	3,812	1,583
Total current assets	5,925	6,063
Investment in and advances to unconsolidated affiliates	203	173
Property and equipment, net	14,529	14,735
Gaming rights and other intangibles, net	5,253	4,283
Goodwill	10,967	9,864
Other assets, net	2,085	1,267
Total assets	$ 38,962	$ 36,385
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 340	$ 167
Accrued interest	216	229
Accrued other liabilities	1,686	1,263
Current portion of long-term debt	70	67
Liabilities related to assets held for sale ($0 and $130 attributable to our VIEs)	2,666	787
Total current liabilities	4,978	2,513
Long-term financing obligation	12,411	12,295
Long-term debt	14,453	14,073
Deferred income taxes	1,197	1,166
Other long-term liabilities	970	1,304
Total liabilities	34,009	31,351
Commitments and contingencies (Note 8)		
STOCKHOLDERS' EQUITY:		
Caesars stockholders' equity	4,890	5,016
Noncontrolling interests	63	18
Total stockholders' equity	4,953	5,034
Total liabilities and stockholders' equity	$ 38,962	$ 36,385

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

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

(In millions, except per share data)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
REVENUES:				
Casino and pari-mutuel commissions	$ 1,510	$ 981	$ 4,308	$ 1,422
Food and beverage	347	127	797	190
Hotel	511	200	1,122	257
Other	317	135	752	174
Net revenues	2,685	1,443	6,979	2,043
EXPENSES:				
Casino and pari-mutuel commissions	830	493	2,111	717
Food and beverage	210	92	484	154
Hotel	130	63	317	91
Other	114	53	262	63
General and administrative	486	338	1,284	503
Corporate	86	90	228	120
Impairment charges	—	—	—	161
Depreciation and amortization	276	225	842	324
Transaction costs and other operating costs	21	220	113	243
Total operating expenses	2,153	1,574	5,641	2,376
Operating income (loss)	532	(131)	1,338	(333)
OTHER EXPENSE:				
Interest expense, net	(579)	(485)	(1,734)	(620)
Loss on extinguishment of debt	(117)	(173)	(140)	(173)
Other income (loss)	(153)	9	(176)	(1)
Total other expense	(849)	(649)	(2,050)	(794)
Loss from continuing operations before income taxes	(317)	(780)	(712)	(1,127)
Benefit (provision) for income taxes	90	(138)	167	(67)
Net loss from continuing operations, net of income taxes	(227)	(918)	(545)	(1,194)
Discontinued operations, net of income taxes	(4)	(7)	(38)	(7)
Net loss	(231)	(925)	(583)	(1,201)
Net income attributable to noncontrolling interests	(2)	(1)	(2)	(1)
Net loss attributable to Caesars	$ (233)	$ (926)	$ (585)	$ (1,202)
Net loss per share - basic and diluted:				
Basic loss per share from continuing operations	$ (1.08)	$ (6.04)	$ (2.60)	$ (11.49)
Basic loss per share from discontinued operations	(0.02)	(0.05)	(0.18)	(0.07)
Basic loss per share	$ (1.10)	$ (6.09)	$ (2.78)	$ (11.56)
Diluted loss per share from continuing operations	$ (1.08)	$ (6.04)	$ (2.60)	$ (11.49)
Diluted loss per share from discontinued operations	(0.02)	(0.05)	(0.18)	(0.07)
Diluted loss per share	$ (1.10)	$ (6.09)	$ (2.78)	$ (11.56)
Weighted average basic shares outstanding	214	152	211	104
Weighted average diluted shares outstanding	214	152	211	104

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

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

(In millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net loss	$ (231)	$ (925)	$ (583)	$ (1,201)
Foreign currency translation adjustments	(33)	1	(44)	1
Change in fair market value of interest rate swaps, net of tax	11	14	33	14
Other	(3)	—	(1)	—
Other comprehensive income (loss), net of tax	(25)	15	(12)	15
Comprehensive loss	(256)	(910)	(595)	(1,186)
Comprehensive income attributable to noncontrolling interests	(2)	(1)	(2)	(1)
Comprehensive loss attributable to Caesars	$ (258)	$ (911)	$ (597)	$ (1,187)

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

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

	Caesars Stockholders’ Equity							
	Common Stock					Treasury Stock		
(In millions)	Shares	Amount	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Amount	Non controlling Interests	Total Stockholders’ Equity
Balance, December 31, 2020	208	$ —	$ 6,382	$ (1,391)	$ 34	$ (9)	$ 18	$ 5,034
Issuance of restricted stock units	—	—	23	—	—	—	—	23
Net loss	—	—	—	(423)	—	—	(1)	(424)
Other comprehensive income, net of tax	—	—	—	—	11	—	—	11
Shares withheld related to net share settlement of stock awards	—	—	(14)	—	—	—	—	(14)
Balance, March 31, 2021	208	—	6,391	(1,814)	45	(9)	17	4,630
Issuance of restricted stock units	—	—	21	—	—	—	—	21
Issuance of common stock, net	5	—	454	—	—	(14)	—	440
Net income	—	—	—	71	—	—	1	72
Other comprehensive income, net of tax	—	—	—	—	2	—	—	2
Shares withheld related to net share settlement of stock awards	—	—	(13)	—	—	—	—	(13)
Acquired noncontrolling interests	—	—	—	—	—	—	10	10
Balance, June 30, 2021	213	—	6,853	(1,743)	47	(23)	28	5,162
Issuance of restricted stock units	1	—	20	—	—	—	—	20
Net income (loss)	—	—	—	(233)	—	—	2	(231)
Other comprehensive loss, net of tax	—	—	—	—	(25)	—	—	(25)
Shares withheld related to net share settlement of stock awards	—	—	(6)	—	—	—	—	(6)
Acquired noncontrolling interests	—	—	—	—	—	—	33	33
Balance, September 30, 2021	214	$ —	$ 6,867	$ (1,976)	$ 22	$ (23)	$ 63	$ 4,953

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	Caesars Stockholders' Equity							
	Common Stock					Treasury Stock		
(In millions)	Shares	Amount	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Amount	Non controlling Interests	Total Stockholders' Equity
Balance, December 31, 2019	78	$ —	$ 760	$ 366	$ —	$ (9)	$ —	$ 1,117
Issuance of restricted stock units	—	—	6	—	—	—	—	6
Net loss	—	—	—	(176)	—	—	—	(176)
Shares withheld related to net share settlement of stock awards	—	—	(7)	—	—	—	—	(7)
Balance, March 31, 2020	78	—	759	190	—	(9)	—	940
Issuance of restricted stock units	—	—	4	—	—	—	—	4
Issuance of common stock	21	—	772	—	—	—	—	772
Net loss	—	—	—	(100)	—	—	—	(100)
Balance, June 30, 2020	99	—	1,535	90	—	(9)	—	1,616
Issuance of restricted stock units	1	—	37	—	—	—	—	37
Issuance of common stock, net	7	—	235	—	—	—	—	235
Net income (loss)	—	—	—	(926)	—	—	1	(925)
Shares issued to Former Caesars shareholders	62	—	2,381	—	—	—	—	2,381
Former Caesars replacement awards	—	—	24	—	—	—	—	24
Other comprehensive income, net of tax	—	—	—	—	15	—	—	15
Shares withheld related to net share settlement of stock awards	—	—	1	—	—	—	—	1
Acquired noncontrolling interests	—	—	(18)	—	—	—	18	—
Other	—	—	5	—	—	—	—	5
Balance, September 30, 2020	169	$ —	$ 4,200	$ (836)	$ 15	$ (9)	$ 19	$ 3,389

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

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

(In millions)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by (used in) operating activities	$ 974	$ (203)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(313)	(95)
Former Caesars acquisition, net of cash acquired	—	(6,357)
Acquisition of William Hill, net of cash acquired	(1,551)	—
Purchase of additional interest in Horseshoe Baltimore, net of cash consolidated	(5)	—
Acquisition of gaming rights and trademarks	(282)	(20)
Proceeds from sale of businesses, property and equipment, net of cash sold	709	231
Proceeds from the sale of investments	206	—
Proceeds from insurance related to property damage	44	—
Investments in unconsolidated affiliates	(39)	(1)
Net cash used in investing activities	(1,231)	(6,242)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt and revolving credit facilities	1,308	9,765
Repayments of long-term debt and revolving credit facilities	(1,125)	(2,826)
Cash paid to settle convertible notes	(367)	(574)
Proceeds from sale-leaseback financing arrangement	—	3,219
Financing obligation payments	—	(49)
Debt issuance and extinguishment costs	(42)	(356)
Proceeds from issuance of common stock	—	772
Taxes paid related to net share settlement of equity awards	(33)	(8)
Net cash provided by (used in) financing activities	(259)	9,943
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Cash flows from operating activities	(55)	3
Cash flows from investing activities	(1,453)	(3)
Cash flows from financing activities	591	—
Net cash used in discontinued operations	(917)	—
Change in cash, cash equivalents and restricted cash classified as assets held for sale	10	—
Effect of foreign currency exchange rates on cash	31	—
Increase (decrease) in cash, cash equivalents and restricted cash	(1,392)	3,498
Cash, cash equivalents and restricted cash, beginning of period	4,280	217
Cash, cash equivalents and restricted cash, end of period	$ 2,888	$ 3,715
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO AMOUNTS REPORTED WITHIN THE CONSOLIDATED CONDENSED BALANCE SHEETS:		
Cash and cash equivalents	$ 1,072	$ 1,051
Restricted cash included in restricted cash and investments	302	2,251
Restricted and escrow cash included in other assets, net	1,166	413
Cash and cash equivalents and restricted cash - discontinued operations	348	—
Total cash, cash equivalents and restricted cash	$ 2,888	$ 3,715

(In millions)	Nine Months Ended September 30, 2021	2020
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 1,528	$ 373
Income taxes paid (refunded), net	(6)	19
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Payables for capital expenditures	72	117
Exchange for sale-leaseback financing obligation	—	246
Convertible notes settled with shares	440	235
Land contributed to joint venture	61	—
Shares issued to Former Caesars shareholders	—	2,381

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

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

This Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2020 ("2020 Annual Report"). Capitalized terms used but not defined in this Form 10-Q have the same meanings as in the 2020 Annual Report.

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

Note 1. Organization and Basis of Presentation

Organization

The Company is a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. The Company partnered with MGM Resorts International to build Silver Legacy Resort Casino in Reno, Nevada in 1993 and, beginning in 2005, grew through a series of acquisitions, including the acquisition of Eldorado Resort Casino Shreveport ("Eldorado Shreveport") in 2005, MTR Gaming Group, Inc. in 2014, Circus Circus Reno and the 50% membership interest in the Silver Legacy that was owned by MGM Resorts International in 2015, Isle of Capri Casinos, Inc. ("Isle" or "Isle of Capri") in 2017 and Grand Victoria Casino and Tropicana Entertainment, Inc. in 2018. On July 20, 2020, the Company completed the merger with Caesars Entertainment Corporation ("Former Caesars") pursuant to which Former Caesars became a wholly-owned subsidiary of the Company (the "Merger").

On April 22, 2021, the Company completed the acquisition of William Hill PLC for £2.9 billion, or approximately $3.9 billion (the "William Hill Acquisition"). See below for further discussion of the William Hill Acquisition.

The Company owns, leases, brands or manages an aggregate of 53 domestic properties in 16 states with approximately 56,000 slot machines, video lottery terminals and e-tables, approximately 2,900 table games and approximately 46,500 hotel rooms as of September 30, 2021. The Company operates and conducts sports wagering across 18 states plus the District of Columbia, 14 of which are mobile for sports betting, and operates regulated online real money gaming businesses in five states. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. Upon completion of our previously announced sales, or expected sales, of certain gaming properties, we expect to continue to own, lease, brand or manage 51 properties. The Company's primary source of revenue is generated by our casino properties' gaming operations, as well as online gaming, and the Company utilizes its hotels, restaurants, bars, entertainment, racing, sportsbook offerings, retail shops and other services to attract customers to its properties.

The Company previously entered into several agreements to divest of certain properties and other assets, including non-core properties and divestitures required by regulatory agencies. See Note 3 for a discussion of properties recently sold or currently held for sale and Note 15 for segment information.

Harrah's Louisiana Downs met held for sale criteria as of the date of the closing of the Merger. Additionally, as described below, William Hill non-U.S. operations met held for sale criteria as of the date of the closing of the William Hill Acquisition. These properties are appropriately classified as discontinued operations.

On August 26, 2021, the Company increased its ownership interest in CBAC Borrower, LLC ("Horseshoe Baltimore"), a property which it also manages, to approximately 75.8%. Caesars was subsequently determined to have a controlling financial interest in Horseshoe Baltimore and we began to consolidate the results of operations of the property following our change in ownership. See Note 2. Our previously held investment was remeasured as of the date of our change in ownership and the Company recognized a gain of $40 million during the nine months ended September 30, 2021. Management fees received prior to the consolidation event have been presented within our Managed and Branded segment. Following the increase in ownership, the operations of Horseshoe Baltimore are presented within the Regional segment.

William Hill Acquisition

On September 30, 2020, the Company announced that it had reached an agreement with William Hill PLC on the terms of a recommended cash acquisition pursuant to which the Company would acquire the entire issued and to be issued share capital (other than shares owned by the Company or held in treasury) of William Hill PLC, in an all-cash transaction. On April 20, 2021, a UK Court sanctioned the proposed acquisition and on April 22, 2021, the Company completed the acquisition of William Hill PLC for £2.9 billion, or approximately $3.9 billion. See Note 2.

In connection with the William Hill Acquisition, on April 22, 2021, a newly formed subsidiary of the Company (the "Bridge Facility Borrower") entered into a Credit Agreement (the "Bridge Credit Agreement") with certain lenders party thereto and Deutsche Bank AG, London Branch, as administrative agent and collateral agent, pursuant to which the lenders party thereto provided the Debt Financing (as defined below). The Bridge Credit Agreement provides for (a) a 540-day £1.0 billion asset sale bridge facility, (b) a 60-day £503 million cash confirmation bridge facility and (c) a 540-day £116 million revolving credit facility (collectively, the "Debt Financing"). The proceeds of the bridge loan facilities provided under the Bridge Credit Agreement were used (i) to pay a portion of the cash consideration for the acquisition and (ii) to pay fees and expenses related to the acquisition and related transactions. The proceeds of the revolving credit facility under the Bridge Credit Agreement may be used for working capital and general corporate purposes. The £1.5 billion Interim Facilities Agreement (the "Interim Facilities Agreement") entered into on October 6, 2020 with Deutsche Bank AG, London Branch and JPMorgan Chase Bank, N.A., and amended on December 11, 2020, was terminated upon the execution of the Bridge Credit Agreement. On May 12, 2021, we repaid the £503 million cash confirmation bridge facility. On June 14, 2021, the Company drew down the full £116 million from the revolving credit facility and the proceeds, in addition to excess Company cash, were used to make a partial repayment of the asset sale bridge facility in the amount of £700 million. Outstanding borrowings under the Bridge Credit Agreement are expected to be repaid upon the sale of William Hill's non-U.S. operations including the UK and international online divisions and the retail betting shops (collectively, "William Hill International"), all of which are held for sale and related activity is reflected within discontinued operations. Certain investments acquired have been excluded from the held for sale asset group. See Note 7 for investments in which the Company elected to apply the fair value option.

On September 8, 2021, the Company entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. After repayment of the outstanding debt under the Bridge Credit Agreement, described above, and other working capital adjustments, the Company expects to receive approximately £835 million, or $1.2 billion. The sale is subject to satisfaction of customary conditions, including receipt of the approval of shareholders of 888 Holdings Plc and regulatory approvals, and is expected to close in the first quarter of 2022. See Note 3.

Reclassifications

Certain reclassifications of prior year presentations have been made to conform to the current period presentation. In June 2021, the Indiana Gaming Commission amended its order that previously required the Company to sell a third casino asset in the state. As a result, Caesars will not be required to sell Horseshoe Hammond and Horseshoe Hammond no longer meets the held for sale criteria. The assets and liabilities held for sale have been reclassified as held and used for all periods presented measured at the lower of the carrying amount, adjusted for depreciation and amortization that would have been recognized had the assets been continuously classified as held and used, and the fair value at the date of the amended ruling. Additionally, amounts previously presented in discontinued operations have been reclassified into continuing operations for all periods presented.

Basis of Presentation

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

The William Hill Acquisition and rebranding of our interactive business (formerly, Caesars Interactive Entertainment "CIE" and now, inclusive of William Hill US, "Caesars Digital") expands our access to conduct sports wagering and real online money gaming operations. As a result, the Company has made a change to the composition of its reportable segments. The Las Vegas and Regional segments are substantially unchanged, while the former Managed, International and CIE reportable segment has been recast for all periods presented into two segments: Caesars Digital and Managed and Branded. As a result of the sale of Caesars Entertainment UK, including the interest in Emerald Resort & Casino (together, "Caesars UK Group") and the announced sale of William Hill International, international operations are classified as discontinued operations. See Note 15 for a listing of properties included in each segment and the determination of our segments.

The presentation of financial information herein for the periods after the Company's acquisitions of Former Caesars on July 20, 2020, William Hill on April 22, 2021 and the acquisition of an additional interest in Horseshoe Baltimore on August 26, 2021 is not fully comparable to the periods prior to the respective acquisitions. In addition, the presentation of financial information herein for the periods after the Company's sales of various properties is not fully comparable to the periods prior to their respective sale dates. See Note 2 for further discussion of the acquisitions and related transactions and Note 3 for properties recently sold or currently held for sale.

Consolidation of Subsidiaries and Variable Interest Entities

Our consolidated condensed financial statements include the accounts of Caesars Entertainment, Inc. and its subsidiaries after elimination of all intercompany accounts and transactions.

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

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

Consolidation of Korea Joint Venture

The Company had a joint venture to acquire, develop, own, and operate a casino resort project in Incheon, South Korea (the "Korea JV"). We determined that the Korea JV was a VIE and the Company was the primary beneficiary, and therefore, we had consolidated the Korea JV into our financial statements. As of December 31, 2020, the assets and liabilities of the Korea JV were classified as held for sale and consisted of $130 million of Property and equipment and Other assets and $130 million of current and other long-term liabilities. We sold our interest in the Korea JV on January 21, 2021 and derecognized its assets and liabilities from our Balance Sheets. There was no gain or loss associated with the sale.

Developments Related to COVID-19

In January 2020, an outbreak of a new strain of coronavirus ("COVID-19") was identified and spread throughout much of the world, including the U.S. All of the Company's casino properties were temporarily closed for the period from mid-March 2020 through mid-May 2020 due to orders issued by various government agencies and tribal bodies as part of certain precautionary measures intended to help slow the spread of COVID-19. As of September 30, 2021, the Company has resumed operations at all of its properties, to the extent permitted by regulations governing the applicable jurisdiction, with the exception of Lake Charles which was severely damaged by Hurricane Laura (see Note 8). During the nine months ended September 30, 2021, most of our properties have experienced positive trends as restrictions on maximum capacities and amenities available have been eased.

The Company continued to pay its full-time employees through April 10, 2020, including tips and tokens. Effective April 11, 2020, the Company furloughed approximately 90% of its employees, implemented salary reductions and committed to continue to provide benefits to its employees through their furloughed period. The Company has emphasized a focus on labor efficiencies as the Company's workforce returns and operations resume in compliance with governmental or tribal orders, directives, and guidelines.

The COVID-19 public health emergency had a material adverse effect on the Company's business, financial condition and results of operations for comparative periods in 2020, including the three and nine months ended September 30, 2020 which continued into the first quarter of 2021. The effects of COVID-19 resulted in a triggering event in the prior year and the Company recognized impairment charges of $116 million related to goodwill and trade names during the nine months ended September 30, 2020. On March 19, 2021, the Company filed a lawsuit against its insurance carriers for losses attributed to the COVID-19 public health emergency. See Note 8.

The Company has experienced positive operating trends thus far in 2021, with a continued focus on operational efficiencies which have resulted in net income, Adjusted EBITDA and Adjusted EBITDA margin exceeding pre-pandemic levels experienced in 2019 within our Las Vegas and Regional segments. However, certain revenue streams continue to be negatively impacted, including convention and entertainment revenues, and have yet to reach pre-pandemic levels as compared to 2019. The extent of the ongoing and future effects of the COVID-19 public health emergency on the Company's business and the casino resort industry generally is uncertain. The extent and duration of the negative impact of the COVID-19 public health emergency will ultimately depend on future developments, including but not limited to, the duration and severity of the outbreak or new variants, restrictions on operations imposed by governmental authorities, the potential for authorities reimposing stay at home orders, international and domestic travel restrictions or additional restrictions in response to continued developments with the COVID-19 public health emergency, the Company's ability to adapt to evolving operating procedures and maintain adequate staffing in response to increased customer demand, the impact on consumer demand and discretionary spending, the efficacy and acceptance of vaccines, and the Company's ability to adjust its cost structures for the duration of any such interruption of its operations.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board (the "FASB") issued the following authoritative guidance amending the FASB Accounting Standards Codification.

Effective January 1, 2021, we adopted Accounting Standards Updates ("ASU") 2018-14, Compensation – Retirement Benefits – Defined Benefit Plans – General, which did not have a material effect on our financial statements.

The following ASUs were not implemented as of September 30, 2021:

Previously Disclosed

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform. The amendments in this update are intended to provide relief to the companies that have contracts, hedging relationships or other transactions that reference the London Inter-bank Offered Rate ("LIBOR") or another reference rate which is expected to be discontinued because of reference rate reform. The amendments provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions if certain criteria are met. The amendments in this update are effective as of March 12, 2020 and companies may elect to apply the amendments prospectively through December 31, 2022. The Company has not yet adopted this new guidance and is evaluating the qualitative and quantitative effect the new guidance will have on its Financial Statements.

In August 2020, the FASB issued ASU 2020-06, Debt with Conversion and Other Options and Derivatives and Hedging. This update amends guidance on convertible instruments and the guidance on derivative scope exception for contracts in an entity's own equity. The amendments for convertible instruments reduce the number of accounting models for convertible debt instruments and convertible preferred stock. In addition, the amendments provide guidance on instruments that will continue to be subject to separation models and improves disclosure for convertible instruments and guidance for earnings per share. Furthermore, the update amends guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. The amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. These amendments should be applied on either a modified retrospective basis or a fully retrospective basis. As of September 30, 2021, all outstanding 5% Convertible Notes have been converted. The adoption of this standard is not expected to have a material impact on the Company's Financial Statements.

Note 2. Acquisitions and Purchase Price Accounting

Merger with Caesars Entertainment Corporation

On July 20, 2020, the Merger was consummated and Former Caesars became a wholly-owned subsidiary of the Company. The strategic rationale for the Merger includes, but is not limited to, the following:

- Creation of the largest owner, operator and manager of domestic gaming assets
- Diversification of the Company's domestic footprint
- Access to iconic brands, rewards programs and new gaming opportunities expected to enhance customer experience
- Realization of significant identified synergies

The total purchase consideration for Former Caesars was $10.9 billion. The estimated purchase consideration in the acquisition was determined with reference to its acquisition date fair value.

(In millions)		**Consideration**
Cash consideration paid	$	6,090
Shares issued to Former Caesars shareholders [(a)]		2,381
Cash paid to retire Former Caesars debt		2,356
Other consideration paid		48
Total purchase consideration	$	10,875

[(a)] *Former Caesars common stock was converted into the right to receive approximately 0.3085 shares of the Company's Common Stock, with a value equal to approximately $12.41 in cash (based on the volume weighted average price per share of the Company's Common Stock for the ten trading days ending on July 16, 2020).*

Final Purchase Price Allocation

The fair values are based on management's analysis including work performed by a third-party valuation specialist, which were finalized over the one-year measurement period. The following table summarizes the allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed of Former Caesars, with the excess recorded as goodwill as of September 30, 2021:

(In millions)		**Fair Value**
Current and other assets	$	3,540
Property and equipment		13,096
Goodwill		9,064
Intangible assets [(a)]		3,394
Other noncurrent assets		710
Total assets	$	29,804
Current liabilities	$	1,771
Financing obligation		8,149
Long-term debt		6,591
Noncurrent liabilities		2,400
Total liabilities		18,911
Noncontrolling interests		18
Net assets acquired	$	10,875

[(a)] *Intangible assets consist of gaming rights valued at $396 million, trade names valued at $2.1 billion, Caesars Rewards programs valued at $523 million and customer relationships valued at $425 million.*

The fair values of the assets acquired and liabilities assumed were determined using the market, income, and cost approaches, or a combination. Valuation methodologies under both a market and income approach used for the identifiable net assets acquired in the Former Caesars acquisition make use of Level 3 inputs, such as expected cash flows and projected financial results. The market approach indicates value for a subject asset based on available market pricing for comparable assets.

Trade receivables and payables and other current and noncurrent assets and liabilities were valued at the existing carrying values as they represented the estimated fair value of those items at the Former Caesars acquisition date. Assets and liabilities held for sale are recorded at fair value, less costs to sell, based on the agreements reached as of the acquisition date, or an income approach.

Certain financial assets acquired were determined to have experienced more than insignificant deterioration of credit quality since origination. A reconciliation of the difference between the purchase price of financial assets, including acquired markers, and the face value of the assets is as follows:

(In millions)		
Purchase price of financial assets	$	95
Allowance for credit losses at the acquisition date based on the acquirer's assessment		89
Discount (premium) attributable to other factors		2
Face value of financial assets	$	186

The fair value of land was determined using the sales comparable approach. The market data is then adjusted for any significant differences, to the extent known, between the identified comparable sites and the site being valued. The value of building and site improvements was estimated via the income approach. Other personal property assets such as furniture, gaming and computer equipment, fixtures, computer software, and restaurant equipment were valued using the cost approach which is based on replacement or reproduction costs of the asset. The cost approach is an estimation of fair value developed by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence, and/or economic obsolescence.

Non-amortizing intangible assets acquired primarily include trademarks, Caesars Rewards and gaming rights. The fair value for these intangible assets was determined using either the relief from royalty method and excess earnings method under the income approach or a replacement cost market approach.

Trademarks and Caesars Rewards were valued using the relief from royalty method, which presumes that without ownership of such trademarks or loyalty program, the Company would have to make a stream of payments to a brand or franchise owner in return for the right to use their name or program. By virtue of this asset, the Company avoids any such payments and records the related intangible value of the Company’s ownership of the brand name or program. The acquired trademarks, including Caesars Rewards are indefinite lived intangible assets.

Customer relationships are valued using an income approach, comparing the prospective cash flows with and without the customer relationships in place to estimate the fair value of the customer relationships, with the fair value assumed to be equal to the discounted cash flows of the business that would be lost if the customer relationships were not in place and needed to be replaced. We estimate the useful life of these customer relationships to be approximately seven years from the Merger date.

Gaming rights include our gaming licenses in various jurisdictions and may have indefinite lives or an estimated useful life. The fair value of the gaming rights was determined using the excess earnings or replacement cost methodology, based on whether the license resides in gaming jurisdictions where competition is limited to a specified number of licensed gaming operators. The excess earnings methodology is an income approach methodology that estimates the projected cash flows of the business attributable to the gaming license intangible asset, which is net of charges for the use of other identifiable assets of the business including working capital, fixed assets and other intangible assets. The replacement cost of the gaming license was used as an indicator of fair value. The acquired gaming rights have indefinite lives, with the exception of one jurisdiction in which we estimate the useful life of the license to be approximately 34 years from the Merger date.

Goodwill is the result of expected synergies from the operations of the combined company and the assembled workforce of Former Caesars. The final assignment of goodwill to our reporting units has not been completed. The goodwill acquired will not generate amortization deductions for income tax purposes.

The fair value of long-term debt has been calculated based on market quotes. The fair value of the financing obligations were calculated as the net present value of both the fixed base rent payments and the forecasted variable payments plus the expected residual value of the land and building returned at the end of the expected usage period.

The Company recognized acquisition-related transaction costs of $6 million and $107 million for the three months ended September 30, 2021 and 2020, respectively, and $21 million and $129 million for the nine months ended September 30, 2021 and 2020, respectively, in connection with the Merger. Transaction costs were associated with legal, IT costs, internal labor and professional services and were recorded in Transaction costs and other operating costs in our Statements of Operations.

For the period of January 1, 2021 through September 30, 2021, the properties of Former Caesars generated net revenues of $5.3 billion, excluding discontinued operations, and a net loss of $411 million.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the acquisition of Former Caesars as if it had occurred on January 1, 2020. The pro forma amounts include the historical operating results of the Company and Former Caesars prior to the acquisition, with adjustments directly attributable to the acquisition. The pro forma results include adjustments and consequential tax effects to reflect incremental depreciation and amortization expense to be incurred based on preliminary fair values of the identifiable property and equipment and intangible assets acquired, the incremental interest expense associated with the issuance of debt to finance the acquisition and the adjustments to exclude acquisition related costs incurred during the three and nine months ended September 30, 2020 as if incurred in the first quarter of 2020. The unaudited pro forma financial information is not necessarily indicative of the financial results that would have occurred had the Merger been consummated as of the dates indicated, nor is it indicative of any future results. In addition, the unaudited pro forma financial information does not reflect the expected realization of any synergies or cost savings associated with the Merger.

(In millions)	**Three Months Ended September 30, 2020**	**Nine Months Ended September 30, 2020**
Net revenues	$ 1,639	$ 4,145
Net loss	(989)	(2,266)
Net loss attributable to Caesars	(927)	(2,200)

Acquisition of William Hill

On April 22, 2021, we completed the previously announced acquisition of William Hill PLC for cash consideration of approximately £2.9 billion, or approximately $3.9 billion, based on the GBP to USD exchange rate on the closing date.

Prior to the acquisition, William Hill PLC's U.S. subsidiary, William Hill U.S. Holdco ("William Hill US" and together with William Hill PLC, "William Hill") operated 37 sportsbooks at our properties in eight states. Following the William Hill Acquisition, we conduct sports wagering in 18 states across the U.S. plus the District of Columbia. Additionally, we operate regulated online real money gaming businesses in five states and continue to leverage the World Series of Poker ("WSOP") brand, and license the WSOP trademarks for a variety of products and services. Extensive usage of digital platforms, continued legalization in additional states, and growing bettor demand are driving the market for online sports betting platforms in the U.S. and the William Hill Acquisition positioned us to address this growing market. On September 8, 2021, the Company entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. The sale is subject to satisfaction of customary conditions, including receipt of the approval of shareholders and regulatory approvals, and is expected to close in the first quarter of 2022.

The Company previously held an equity interest in William Hill PLC and William Hill US (see Note 4). Accordingly, the acquisition is accounted for as a business combination achieved in stages, or a "step acquisition."

As mentioned above, the total purchase consideration for William Hill was approximately $3.9 billion. The estimated purchase consideration in the acquisition was determined with reference to its acquisition date fair value.

(In millions)	**Consideration**
Cash for outstanding William Hill common stock [(a)]	$ 3,909
Fair value of William Hill equity awards	30
Settlement of preexisting relationships (net of receivable/payable)	7
Settlement of preexisting relationships (net of previously held equity investment and off-market settlement)	(34)
Total purchase consideration	$ 3,912

[(a)] *William Hill common stock of approximately 1.0 billion shares as of the acquisition date was paid at £2.72 per share, or approximately $3.77 per share using the GBP to USD exchange rate on the acquisition date.*

Preliminary Purchase Price Allocation

The purchase price allocation for William Hill is preliminary as it relates to determining the fair value of certain assets and liabilities, including goodwill, and is subject to change. The fair values are based on management's analysis including preliminary work performed by third-party valuation specialists, which are subject to finalization over the one-year measurement period. The following table summarizes the preliminary allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed of William Hill, with the excess recorded as goodwill as of September 30, 2021:

(In millions)		Fair Value
Other current assets	$	160
Assets held for sale		4,375
Property and equipment, net		55
Goodwill		1,102
Intangible assets [(a)]		565
Other noncurrent assets		307
Total assets	$	6,564
Other current liabilities	$	249
Liabilities related to assets held for sale [(b)]		2,130
Deferred income taxes		228
Other noncurrent liabilities		35
Total liabilities		2,642
Noncontrolling interests		10
Net assets acquired	$	3,912

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[(a)] *Intangible assets consist of gaming rights valued at $80 million, trademarks valued at $27 million, developed technology valued at $110 million, reacquired rights valued at $280 million and user relationships valued at $68 million.*
[(b)] *Includes debt of $1.1 billion related to William Hill International at the acquisition date.*

The Company entered into an agreement on September 8, 2021 to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. The assets and liabilities held for sale noted above are substantially all related to William Hill International. As noted above, the purchase price allocation was subject to a measurement period and, due to the agreement with 888 Holdings Plc, the estimates of fair values as of September 30, 2021 have been revised. Total purchase consideration decreased by $54 million related to the value of the preexisting relationships, specifically our previously held equity investment and off-market contract settlement. Additionally, the estimated fair value of the assets and liabilities held for sale at the time of the William Hill Acquisition have been adjusted to reflect the sale price with 888 Holdings Plc. The net impact of the changes was a decrease of $3 million in other current assets, a $521 million increase to assets held for sale, a $271 million decrease to goodwill, a $131 million decrease to intangible assets, a $27 million increase to liabilities held for sale, and a $143 million increase to deferred income taxes. The effect of these revisions resulted in a change in the estimated value of our previously held investment in William Hill US and we recorded a $54 million loss during the quarter, for a total loss of $75 million during the nine months ended September 30, 2021, which is included in Other income (loss) on the Statement of Operations.

The fair values of the assets acquired and liabilities assumed were determined using the market, income, and cost approaches, or a combination. Valuation methodologies under both a market and income approach used for the identifiable net assets acquired in the William Hill acquisition make use of Level 3 inputs, such as expected cash flows and projected financial results. The market approach indicates value for a subject asset based on available market pricing for comparable assets.

Trade receivables and payables and other current and noncurrent assets and liabilities were valued at the existing carrying values as they represented the estimated fair value of those items at the William Hill acquisition date. Assets and liabilities held for sale substantially represent William Hill International which has been initially valued using a combination of approaches including a market approach based on valuation multiples and EBITDA, the relief from royalty method and the replacement cost method. In addition to the approaches described, our estimates have been updated to reflect the sale price of William Hill International in the proposed sale to 888 Holdings Plc, described above.

The acquired net assets of William Hill included certain investments in common stock. Investments with a publicly available share price were valued using the share price on the acquisition date. Investments without publicly available share data were valued at their carrying value, which approximated fair value.

Other personal property assets such as furniture, equipment, computer hardware, and fixtures were valued using a cost approach which determined that the carrying values represented fair value of those items at the William Hill acquisition date.

Trademarks and developed technology were valued using the relief from royalty method, which presumes that without ownership of such trademarks or technology, the Company would have to make a series of payments to the assets' owner in return for the right to use their brand or technology. By virtue of their ownership of the respective intangible assets, the Company avoids any such payments and records the related intangible value. The estimated useful lives of the trademarks and developed technology are approximately 15 years and six years, respectively, from the acquisition date.

Online user relationships are valued using a cost approach based on the estimated marketing and promotional cost to acquire the new active user base if the user relationships were not already in place and needed to be replaced. We estimate the useful life of the user relationships to be approximately three years from the acquisition date.

Operating agreements with non-Caesars entities allowed William Hill to operate retail and online sportsbooks as well as online gaming within certain states. These agreements are valued using the excess earnings method, estimating the projected profits of the business attributable to the rights afforded through the agreements, adjusted for returns of other assets that contribute to the generation of this profit, such as working capital, fixed assets and other intangible assets. We estimate the useful life of these operating agreements to be approximately 20 years from the acquisition date.

The reacquired rights intangible asset represents the estimated fair value of the Company's share of the William Hill's forecasted profits arising from the prior contractual arrangement with the Company to operate retail and online sportsbooks and online gaming. This fair value estimate was determined using the excess earnings method, an income-based approach that reflects the present value of the future profit William Hill expected to earn over the remaining term of the contract, adjusted for returns of other assets that contribute to the generation of this profit, such as working capital, fixed assets and other intangible assets. The forecasted profit used within this valuation is adjusted for the settlement of the preexisting relationship noted previously in the calculation of the purchase consideration in order to avoid double counting of this settlement. Reacquired rights are amortizable over the remaining contractual period of the contract in which the rights were granted and estimated to be approximately 24 years from the acquisition date.

Goodwill is the result of expected synergies from the operations of the combined company and future customer relationships including the brand names and strategic partner relationships of Caesars and the technology and assembled workforce of William Hill. The goodwill acquired will not generate amortization deductions for income tax purposes.

The fair value of long-term debt assumed has been calculated based on market quotes.

The Company recognized acquisition-related transaction costs of $5 million and $60 million for the three and nine months ended September 30, 2021, respectively, excluding additional transaction costs associated with sale of William Hill International. These costs were associated with legal and professional services and were recorded in Transaction costs and other operating costs in our Statements of Operations.

For the period of April 22, 2021 through September 30, 2021, the operations of William Hill generated net revenues of $104 million, excluding discontinued operations (see Note 3), and a net loss of $205 million.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the William Hill Acquisition as if it had occurred on January 1, 2020. The pro forma amounts include the historical operating results of the Company and William Hill prior to the acquisition, with adjustments directly attributable to the acquisition. The pro forma results include adjustments and consequential tax effects to reflect incremental amortization expense to be incurred based on preliminary fair values of the identifiable intangible assets acquired, eliminate gains and losses related to certain investments and adjustments to the timing of acquisition related costs and expenses incurred during the three and nine months ended September 30, 2021 and to recognize these costs during the nine months ended September 30, 2020. The unaudited pro forma financial information is not necessarily indicative of the financial results that would have occurred had the William Hill Acquisition been consummated as of the dates indicated, nor is it indicative of any future results. The unaudited pro forma financial information does not include the operations of William Hill International as such operations were expected to be divested upon the acquisition date.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2021	2020	2021	2020
Net revenues	$ 2,685	$ 1,484	$ 7,106	$ 2,131
Net loss	(155)	(980)	(427)	(1,473)
Net loss attributable to Caesars	(157)	(981)	(429)	(1,474)

Consolidation of Horseshoe Baltimore

On August 26, 2021, the Company increased its ownership interest in Horseshoe Baltimore, a property which it also manages, to approximately 75.8% for cash consideration of $55 million. Subsequent to the change in ownership, the Company was determined to have a controlling financial interest and has begun to consolidate the operations of Horseshoe Baltimore.

Prior to the purchase, the Company held an interest in Horseshoe Baltimore of approximately 44.3% which was accounted for as an equity method investment. Our previously held investment was remeasured as of the date of our change in ownership and the Company recorded a gain of approximately $40 million, which was recorded in Other income (loss) on the Statement of Operations.

(In millions)		Consideration
Cash for additional ownership interest	$	55
Preexisting relationships (net of receivable/payable)		18
Preexisting relationships (previously held equity investment)		81
Total purchase consideration	$	154

Preliminary Purchase Price Allocation

The purchase price allocation for Horseshoe Baltimore is preliminary as it relates to determining the fair value of certain assets and liabilities, including potential goodwill, and is subject to change. The estimated fair values are based on management's analysis, including preliminary work performed by a third-party valuation specialist, which is subject to finalization over the one-year measurement period. The following table summarizes the preliminary allocation of the purchase consideration to the identifiable assets and liabilities of Horseshoe Baltimore, with any potential excess recorded as goodwill as of September 30, 2021:

(In millions)		Fair Value
Current assets	$	60
Property and equipment, net		215
Intangible assets [(a)]		241
Other noncurrent assets		136
Total assets	$	652
Current liabilities	$	26
Long-term debt		272
Other long-term liabilities		158
Total liabilities		456
Noncontrolling interests		42
Net assets acquired	$	154

[(a)] *Intangible assets consist of gaming rights valued at $232 million and customer relationships valued at $9 million.*

The fair values of the assets acquired and liabilities assumed were determined using the market, income, and cost approaches, or a combination. Valuation methodologies under both a market and income approach used for the identifiable net assets acquired in the Horseshoe Baltimore acquisition make use of Level 3 inputs, such as expected cash flows and projected financial results. The market approach indicates value for a subject asset based on available market pricing for comparable assets.

Trade receivables and payables and other current and noncurrent assets and liabilities were valued at the existing carrying values as they represented the estimated fair value of those items at the Horseshoe Baltimore acquisition date.

Other personal property assets such as furniture, equipment, computer hardware, and fixtures were valued at the existing carrying values as they closely represented the estimated fair value of those items at the Horseshoe Baltimore acquisition date.

The right of use asset and operating lease liability related to a ground lease for the site on which Horseshoe Baltimore is located was recorded at carrying value, which approximates fair value.

Customer relationships are valued using an income approach, comparing the prospective cash flows with and without the customer relationships in place to estimate the fair value of the customer relationships, with the fair value assumed to be equal to the discounted cash flows of the business that would be lost if the customer relationships were not in place and needed to be replaced. We estimate the useful life of these customer relationships to be approximately seven years.

The fair value of the gaming rights was determined using the excess earnings method, which is an income approach methodology that estimates the projected cash flows of the business attributable to the gaming license intangible asset, which is net of charges for the use of other identifiable assets of the business including working capital, fixed assets and other intangible assets. The acquired gaming rights are considered to have an indefinite life.

The fair value of long-term debt has been calculated based on market quotes.

For the period of August 26, 2021 through September 30, 2021, the operations of Horseshoe Baltimore generated net revenues of $18 million, and net income of $1 million.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the Horseshoe Baltimore consolidation as if it had occurred on January 1, 2020. The pro forma amounts included the historical operating results of the Company and Horseshoe Baltimore prior to the consolidation. The pro forma results include adjustments and consequential tax effects to reflect incremental amortization expense to be incurred based on preliminary fair values of the identifiable intangible assets acquired and adjustments to eliminate certain revenues and expenses which are considered intercompany activities. The unaudited pro forma financial information is not necessarily indicative of the financial results that would have occurred had the consolidation of Horseshoe Baltimore occurred as of the dates indicated, nor is it indicative of any future results. In addition, the unaudited pro forma financial information does not reflect the expected realization of any synergies or cost savings associated with the consolidation.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Net revenues	$ 2,718	$ 1,495	$ 7,102	$ 2,148
Net loss	(265)	(924)	(611)	(1,219)
Net loss attributable to Caesars	(268)	(925)	(617)	(1,216)

Note 3. Assets Held for Sale

The Company periodically divests assets that it does not consider core to its business to raise capital or, in some cases, to comply with conditions, terms, obligations or restrictions imposed by antitrust, gaming and other regulatory entities. The carrying value of the net assets held for sale are compared to the expected selling price and any expected losses are recorded immediately. Gains or losses associated with the disposal of assets held for sale are recorded within other operating costs, unless the assets represent a discontinued operation.

Held for sale - Continuing operations

Baton Rouge

On December 1, 2020, the Company entered into a definitive agreement with CQ Holding Company, Inc. to sell the equity interests of Belle of Baton Rouge Casino & Hotel ("Baton Rouge"). The definitive agreement provides that the consummation of the sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals, and is expected to close in the fourth quarter of 2021. Baton Rouge met the requirements for presentation as assets held for sale as of September 30, 2021.

The assets and liabilities held for sale within continuing operations, accounted for at carrying value unless fair value is lower, were as follows as of September 30, 2021 and December 31, 2020:

	Baton Rouge	
(In millions)	**September 30, 2021**	**December 31, 2020**
Assets:		
Cash	$ 3	$ 2
Property and equipment, net	2	2
Other assets, net	1	1
Assets held for sale	$ 6	$ 5
Liabilities:		
Current liabilities	$ 3	$ 2
Other long-term liabilities	1	1
Liabilities related to assets held for sale	$ 4	$ 3

The following information presents the net revenues and net loss of our held for sale property, with operations included in continuing operations, that has not been sold:

	Baton Rouge			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2021	2020	2021	2020
Net revenues	$ 4	$ 4	$ 13	$ 12
Net loss	(2)	(4)	(3)	(17)

Held for sale - Sold

Evansville, MontBleu, Eldorado Shreveport, Kansas City and Vicksburg Divestitures

On June 3, 2021, the Company consummated the sale of the real property and equity interests of Tropicana Evansville ("Evansville") to Gaming and Leisure Properties, Inc. and Bally's Corporation (formerly Twin River Worldwide Holdings, Inc.), respectively, for $480 million, subject to a customary working capital adjustment, resulting in a gain of approximately $12 million. Evansville was within the Regional segment.

On April 6, 2021, the Company consummated the sale of the equity interests of MontBleu Casino Resort & Spa ("MontBleu") to Bally's Corporation for $15 million, subject to a customary working capital adjustment, resulting in a gain of less than $1 million. The purchase price for MontBleu is due no later than the first anniversary of the consummation of the transaction.

As a result of the execution of the agreement to sell MontBleu, an impairment charge totaling $45 million was recorded during the nine months ended September 30, 2020 due to the carrying value exceeding the estimated net sales proceeds. The impairment charges resulted in a reduction to the carrying amounts of the right-of-use assets, property and equipment, and goodwill and other intangibles totaling $18 million, $23 million and $4 million, respectively. MontBleu was within the Regional segment.

Prior to their respective closing dates in 2020, Eldorado Shreveport, Isle of Capri Casino Kansas City ("Kansas City"), and Lady Luck Casino Vicksburg ("Vicksburg") met the requirements for presentation as assets held for sale under GAAP. However, they did not meet the requirements for presentation as discontinued operations. All properties were previously reported in the Regional segment.

The following information presents the net revenues and net income (loss) of previously held for sale properties, which were recently sold:

	Nine Months Ended September 30, 2021	
(In millions)	MontBleu	Evansville
Net revenues	$ 11	$ 58
Net income	4	26

	Three Months Ended September 30, 2020				
(In millions)	Eldorado Shreveport	Kansas City	Vicksburg	MontBleu	Evansville
Net revenues	$ 21	$ —	$ —	$ 11	$ 31
Net income (loss)	7	1	—	(3)	1

	Nine Months Ended September 30, 2020				
(In millions)	Eldorado Shreveport	Kansas City	Vicksburg	MontBleu	Evansville
Net revenues	$ 51	$ 18	$ 7	$ 23	$ 71
Net income (loss)	8	3	(1)	(43)	(7)

The assets and liabilities held for sale were as follows as of December 31, 2020:

	December 31, 2020	
(In millions)	MontBleu	Evansville
Assets:		
Cash	$ 3	$ 7
Property and equipment, net	37	302
Goodwill	—	9
Gaming licenses and other intangibles, net	—	138
Other assets, net	32	49
Assets held for sale	$ 72	$ 505
Liabilities:		
Current liabilities	$ 8	$ 12
Other long-term liabilities	63	24
Liabilities related to assets held for sale	$ 71	$ 36

Held for sale - Discontinued operations

On the closing date of the Merger, Harrah’s Louisiana Downs, Caesars UK Group, which includes Emerald Resorts & Casino, and Caesars Southern Indiana met held for sale criteria. The operations of these properties are presented within discontinued operations.

On September 3, 2020, the Company and VICI Properties L.P., a Delaware limited partnership (“VICI”) entered into an agreement to sell the equity interests of Harrah’s Louisiana Downs to Rubico Acquisition Corp. for $22 million, subject to a customary working capital adjustment, which proceeds will be split between the Company and VICI. On November 1, 2021, the sale of Harrah’s Louisiana Downs was completed. The annual base rent payments under the Regional Master Lease between Caesars and VICI will remain unchanged.

On July 16, 2021, the Company completed the sale of Caesars UK Group, in which the buyer assumed all liabilities associated with the Caesars UK Group, and recorded an impairment of $14 million during the nine months ended September 30, 2021, within discontinued operations.

On December 24, 2020, the Company entered into an agreement to sell the equity interests of Caesars Southern Indiana to the Eastern Band of Cherokee Indians (“EBCI”) for $250 million, subject to customary purchase price adjustments. On September 3, 2021, the Company completed the sale of Caesars Southern Indiana, subject to a customary working capital adjustment, resulting in a gain of approximately $12 million. In connection with this transaction, the Company’s annual base rent payments to VICI Properties under the Regional Master Lease were reduced by $33 million. Additionally, the Company and EBCI extended their existing relationship by entering into a 10-year brand license agreement, with cancellation rights in exchange for a termination fee at the buyer’s discretion following the fifth anniversary of the agreement, for the continued use of the Caesars brand and Caesars Rewards loyalty program at Caesars Southern Indiana. Caesars Southern Indiana was previously reported within the Regional segment and subsequent to the sale, as a result of the license agreement relating to the continued use of the Caesars brand and Caesars Rewards loyalty program at Caesars Southern Indiana, is reported within the Managed and Branded segment.

At the time that the William Hill Acquisition was consummated, the Company’s intent was to divest William Hill International. Accordingly, the assets and liabilities of William Hill International are classified as held for sale with operations presented within discontinued operations. See Note 1 and Note 2.

The following information presents the net revenues and net income (loss) for the Company’s properties that are part of discontinued operations for the three and nine months ended September 30, 2021:

	Three Months Ended September 30, 2021			
(In millions)	Harrah’s Louisiana Downs	Caesars UK Group	Caesars Southern Indiana	William Hill International
Net revenues	$ 13	$ —	$ 41	$ 454
Net income (loss)	3	(1)	18	(39)

	Nine Months Ended September 30, 2021			
(In millions)	**Harrah's Louisiana Downs**	**Caesars UK Group**	**Caesars Southern Indiana**	**William Hill International**
Net revenues	$ 42	$ 30	$ 155	$ 797
Net income (loss)	12	(30)	27	(41)

The assets and liabilities held for sale as discontinued operations, accounted for at carrying value unless fair value was lower, were as follows as of September 30, 2021 and December 31, 2020:

	September 30, 2021
(In millions)	**Harrah's Louisiana Downs**
Assets:	
Cash	$ 7
Property and equipment, net	10
Goodwill	3
Gaming licenses and other intangibles, net	5
Assets held for sale	$ 25
Liabilities:	
Current liabilities	$ 6
Other long-term liabilities [(a)]	5
Liabilities related to assets held for sale	$ 11

	December 31, 2020		
(In millions)	**Harrah's Louisiana Downs**	**Caesars UK Group**	**Caesars Southern Indiana**
Assets:			
Cash	$ 6	$ 32	$ 8
Property and equipment, net	11	75	418
Goodwill	3	3	136
Gaming licenses and other intangibles, net	5	28	23
Other assets, net	—	117	4
Assets held for sale	$ 25	$ 255	$ 589
Liabilities:			
Current liabilities	$ 6	$ 73	$ 13
Other long-term liabilities [(a)]	6	120	332
Liabilities related to assets held for sale	$ 12	$ 193	$ 345

[(a)] *As of September 30, 2021, we have included $5 million of deferred finance obligation as held for sale liabilities for Harrah's Louisiana Downs and as of December 31, 2020, $336 million of deferred finance obligation was included as held for sale liabilities for Caesars Southern Indiana and Harrah's Louisiana Downs. Deferred financing obligation represents our preliminary purchase price allocation of the liability which will be derecognized upon completion of the divestitures.*

Not included in the above table are assets and liabilities held for sale of $3.8 billion and $2.7 billion, respectively, related to William Hill International. Liabilities held for sale include $612 million of debt related to the asset sale bridge facility and the revolving credit facility, which are expected to be repaid upon the sale of William Hill International, as described in Note 1. The Bridge Credit Agreement includes a financial covenant, of which the Company was in compliance as of September 30, 2021, requiring the Bridge Facility Borrower to maintain a maximum total net leverage ratio of 10.50 to 1.00. The borrowings under the Bridge Credit Agreement are guaranteed by the Bridge Facility Borrower and its material wholly-owned subsidiaries (subject to exceptions), and are secured by a pledge of substantially all of the existing and future property and assets of the Bridge Facility Borrower and the guarantors (subject to exceptions). In addition, $1.1 billion of debt, at book value which approximates fair value, is held for sale related to two trust deeds assumed in the William Hill Acquisition. One trust deed relates to £350 million aggregate principal amount of 4.750% Senior Notes due 2026, and the other trust deed relates to £350 million aggregate principal amount of 4.875% Senior Notes due 2023. Each of the trust deeds contain a put option due to a change in control which allowed noteholders to require the Company to purchase the notes at 101% of the principal amount with interest accrued. The put period expired on July 26, 2021, and approximately £1 million of debt was repurchased. No financial covenants were noted related to the two trust deeds assumed in the William Hill Acquisition.

Note 4. Investments in and Advances to Unconsolidated Affiliates

William Hill

The Company previously entered into a 25-year agreement with William Hill, which became effective January 29, 2019 and granted to William Hill the right to conduct betting activities, including operating our sportsbooks, in retail channels under certain skins for online channels with respect to the Company's current and future properties, and conduct certain real money online gaming activities. On April 22, 2021, the Company consummated its previously announced acquisition of William Hill PLC in an all-cash transaction. Prior to the acquisition, the Company accounted for its investment in William Hill PLC as an investment in equity securities. Additionally, we accounted for our investment in William Hill US as an equity method investment prior to the William Hill Acquisition. See Note 2 for further detail on the consideration transferred and the allocation of the purchase price.

NeoGames

The acquired net assets of William Hill included an investment in NeoGames S.A. ("NeoGames"), a global leader of iLottery solutions and services to national and state-regulated lotteries, and other investments. On September 16, 2021, the Company sold a portion of its shares of NeoGames common stock for $136 million which decreased Company's ownership interest from 24.5% to approximately 8.4%. As of September 30, 2021, the Company held approximately 2 million shares of NeoGames common stock with a fair value of $79 million. The shares have a readily determinable fair value and, accordingly, the Company remeasures the investment based on the publicly available share price (Level 1). See Note 7. For the three and nine months ended September 30, 2021, the Company recorded a loss of approximately $158 million and $35 million, respectively, which is included within Other income (loss) on the Statements of Operations.

Pompano Joint Venture

In April 2018, the Company entered into a joint venture with Cordish Companies ("Cordish") to plan and develop a mixed-use entertainment and hospitality destination expected to be located on unused land adjacent to the casino and racetrack at the Company's Pompano property. As the managing member, Cordish will operate the business and manage the development, construction, financing, marketing, leasing, maintenance and day-to-day operation of the various phases of the project. Additionally, Cordish will be responsible for the development of the master plan for the project with the Company's input and will submit it for the Company's review and approval. In June 2021, the joint venture issued a capital call and we contributed $3 million. The Company has made cash contributions totaling $4 million and has contributed land. On February 12, 2021, the Company contributed 186 acres to the joint venture with a fair value of $61 million. Total contributions of approximately 206 acres of land have been made with a fair value of approximately $69 million, and the Company has no further obligation to contribute additional real estate or cash as of September 30, 2021. We entered into a short-term lease agreement in February 2021, which we can cancel at any time, to lease back a portion of the land from the joint venture.

While the Company holds a 50% variable interest in the joint venture, it is not the primary beneficiary; as such the investment in the joint venture is accounted for using the equity method. The Company participates evenly with Cordish in the profits and losses of the joint venture, which are included in Transaction costs and other operating costs on the Statements of Operations. As of September 30, 2021 and December 31, 2020, the Company's investment in the joint venture is recorded in Investment in and advances to unconsolidated affiliates on the Balance Sheets.

Note 5. Property and Equipment

(In millions)	September 30, 2021	December 31, 2020
Land and improvements	$ 2,124	$ 2,187
Buildings, riverboats, and leasehold improvements	12,329	12,059
Furniture, fixtures, and equipment	1,558	1,419
Construction in progress	293	118
Total property and equipment	16,304	15,783
Less: accumulated depreciation	(1,775)	(1,048)
Total property and equipment, net	$ 14,529	$ 14,735

Our property and equipment are subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms, convention space and retail space through various short-term and long-term operating leases.

Depreciation Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Depreciation expense	$ 237	$ 204	$ 746	$ 289

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

Note 6. Goodwill and Intangible Assets, net

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

Changes in Carrying Value of Goodwill and Other Intangible Assets

		Non-Amortizing Intangible Assets	
(In millions)	**Amortizing Intangible Assets**	**Goodwill**	**Other**
December 31, 2020	$ 501	$ 9,864	$ 3,782
Amortization	(96)	—	—
Acquired [(a)]	574	1,102	232
Acquisition of gaming rights and trademarks [(b)]	253	—	20
Other	—	1	(13)
September 30, 2021	$ 1,232	$ 10,967	$ 4,021

(a) *Includes goodwill and intangible assets from the William Hill Acquisition and the consolidation of Horseshoe Baltimore. See Note 2 for further detail.*
(b) *Includes acquired royalty-free license of Planet Hollywood Trademark with an estimated useful life of 15 years and other gaming rights.*

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

		September 30, 2021			December 31, 2020		
(Dollars in millions)	**Useful Life**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Amortizing intangible assets							
Customer relationships	3 - 7 years	$ 587	$ (163)	$ 424	$ 510	$ (92)	$ 418
Gaming rights and other	20 - 34 years	174	(5)	169	84	(1)	83
Trademarks	15 years	270	(8)	262	—	—	—
Reacquired rights	24 years	280	(5)	275	—	—	—
Technology	6 years	110	(8)	102	—	—	—
		$ 1,421	$ (189)	1,232	$ 594	$ (93)	501
Non-amortizing intangible assets							
Trademarks				2,148			2,161
Gaming rights				1,350			1,098
Caesars Rewards				523			523
				4,021			3,782
Total amortizing and non-amortizing intangible assets, net				$ 5,253			$ 4,283

Amortization expense with respect to intangible assets for the three months ended September 30, 2021 and 2020 totaled $39 million and $21 million, respectively, and for the nine months ended September 30, 2021 and 2020 totaled $96 million and $35 million, respectively, which is included in depreciation and amortization in the Statements of Operations.

Estimated Five-Year Amortization

		Years Ended December 31,				
(In millions)	**Remaining 2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Estimated annual amortization expense	$ 37	$ 144	$ 139	$ 124	$ 117	$ 117

Note 7. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis: The following table sets forth the assets and liabilities measured at fair value on a recurring basis, by input level, in the Balance Sheets at September 30, 2021 and December 31, 2020:

	September 30, 2021			
(In millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Restricted cash and investments	$ 1	$ 1	$ —	$ 2
Marketable securities	88	8	—	96
Derivative instruments - FX forward	—	21	—	21
Total assets at fair value	$ 89	$ 30	$ —	$ 119
Liabilities:				
Derivative instruments - interest rate swaps	$ —	$ 47	$ —	$ 47
Total liabilities at fair value	$ —	$ 47	$ —	$ 47

	December 31, 2020			
(In millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Restricted cash and investments	$ 1	$ 3	$ 44	$ 48
Marketable securities	23	10	—	33
Derivative instruments - FX forward	—	40	—	40
Total assets at fair value	$ 24	$ 53	$ 44	$ 121
Liabilities:				
Derivative instruments - 5% Convertible Notes	$ —	$ 326	$ —	$ 326
Derivative instruments - interest rate swaps	—	90	—	90
Total liabilities at fair value	$ —	$ 416	$ —	$ 416

The change in restricted cash and investments valued using Level 3 inputs for the nine months ended September 30, 2021 is as follows:

(In millions)	**Level 3 Investments**
Fair value of investment at December 31, 2020	$ 44
Change in fair value	7
Acquisition of William Hill	(51)
Fair value at September 30, 2021	$ —

Restricted Cash and Investments

The estimated fair values of the Company’s restricted cash and investments are based upon quoted prices available in active markets (Level 1), or quoted prices for similar assets in active and inactive markets (Level 2), or quoted prices available in active markets adjusted for time restrictions related to the sale of the investment (Level 3) and represent the amounts the Company would expect to receive if the Company sold the restricted cash and investments. Restricted cash classified as Level 1 includes cash equivalents held in short-term certificate of deposit accounts or money market type funds. Restricted cash that is not subject to remeasurement on a recurring basis is not included in the table above. Restricted investments included shares acquired in conjunction with the Company’s sports betting agreements that contained restrictions related to the ability to liquidate shares within a specified timeframe. As a result of the William Hill Acquisition, no restricted investments are held as of September 30, 2021.

Marketable Securities

Marketable securities consist primarily of trading securities held by the Company's captive insurance subsidiary and investments acquired in the William Hill Acquisition (see Note 4). These investments also include collateral for several escrow and trust agreements with third-party beneficiaries. The estimated fair values of the Company's marketable securities are determined on an individual asset basis based upon quoted prices of identical assets available in active markets (Level 1), quoted prices of identical assets in inactive markets, or quoted prices for similar assets in active and inactive markets (Level 2), and represent the amounts the Company would expect to receive if the Company sold these marketable securities.

In November 2018, the Company entered into an agreement with The Stars Group Inc., which was subsequently acquired by Flutter Entertainment PLC ("Flutter") to provide options to obtain access to a second skin for online sports wagering and third skin for real money online gaming and poker with respect to the Company's properties in the U.S. Under the terms of the agreement, the Company received common shares, as a revenue share from certain operations of Flutter under the Company's licenses. As of December 31, 2020, the fair value of shares held was $10 million, and was included in Prepayments and other current assets on the Balance Sheets. On July 7, 2021, the Company sold these shares for $9 million and recorded a realized loss of $1 million during the nine months ended September 30, 2021. During the three and nine months ended September 30, 2020, the Company recorded an unrealized gain of $5 million and $8 million, respectively. Gains and losses have been included in Other income (loss) on the Statements of Operations.

Derivative Instruments

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

5% Convertible Notes - Derivative Liability

On October 6, 2017, Former Caesars issued $1.1 billion aggregate principal amount of 5% Convertible Notes which contained a derivative liability. On June 29, 2021, all outstanding 5% Convertible Notes were converted as a result of our mandatory conversion. See Note 9 for further discussion. The derivative liability associated with the conversion feature no longer exists following the mandatory conversion.

Forward contracts

The Company has entered into several foreign exchange forward contracts with third parties to hedge the risk of fluctuations in the foreign exchange rates between USD and GBP and to fix the exchange rate for a portion of the funds used in the William Hill Acquisition, repayment of related debt and expected proceeds of the sale. On April 23, 2021, the Company entered into a foreign exchange forward contract to purchase £237 million at a contracted exchange rate, which was settled on June 11, 2021, resulting in a realized gain of $6 million, which was recorded in the Other income (loss) on the Statements of Operations. Similarly, the Company has entered into foreign exchange forward contracts to sell £717 million at a contracted exchange rate. These contracts are also to hedge the risk of fluctuations in the foreign exchange rates related to the expected proceeds from the sale of William Hill International. The forward term of the contracts ends on December 31, 2021 and March 31, 2022. The Company recorded an unrealized gain of $16 million and $20 million during the three and nine months ended September 30, 2021, respectively, related to forward contracts, which was recorded in the Other income (loss) on the Statements of Operations.

Interest Rate Swap Derivatives

We assumed Former Caesars interest rate swaps to manage the mix of assumed debt between fixed and variable rate instruments. As of September 30, 2021, we have seven interest rate swap agreements to fix the interest rate on $2.3 billion of variable rate debt related to the Caesars Resort Collection ("CRC") Credit Agreement. The interest rate swaps are designated as cash flow hedging instruments. The difference to be paid or received under the terms of the interest rate swap agreements is accrued as interest rates change and recognized as an adjustment to interest expense at settlement. Changes in the variable interest rates to be received pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows.

The major terms of the interest rate swap agreements as of September 30, 2021 are as follows:

Effective Date	Notional Amount *(In millions)*	Fixed Rate Paid	Variable Rate Received as of September 30, 2021	Maturity Date
1/1/2019	250	2.196%	0.0846%	12/31/2021
12/31//2018	250	2.274%	0.0846%	12/31/2022
1/1/2019	400	2.788%	0.0846%	12/31/2021
12/31//2018	200	2.828%	0.0846%	12/31/2022
1/1/2019	200	2.828%	0.0846%	12/31/2022
12/31//2018	600	2.739%	0.0846%	12/31/2022
1/2/2019	400	2.707%	0.0846%	12/31/2021

Valuation Methodology

The estimated fair values of our interest rate swap derivative instruments are derived from market prices obtained from dealer quotes for similar, but not identical, assets or liabilities. Such quotes represent the estimated amounts we would receive or pay to terminate the contracts. The interest rate swap derivative instruments are included in either Other assets, net or Other long-term liabilities on our Balance Sheets. Our derivatives are recorded at their fair values, adjusted for the credit rating of the counterparty if the derivative is an asset, or adjusted for the credit rating of the Company if the derivative is a liability. None of our derivative instruments are offset and all were classified as Level 2.

Financial Statement Effect

The effect of derivative instruments designated as hedging instruments on the Balance Sheets for amounts transferred into Accumulated other comprehensive income (loss) ("AOCI") before tax was a gain of $15 million and $18 million during the three months ended September 30, 2021 and 2020, respectively, and a gain of $44 million and $18 million during the nine months ended September 30, 2021 and 2020, respectively. AOCI reclassified to Interest expense on the Statements of Operations was $15 million and $12 million for the three months ended September 30, 2021 and 2020, respectively, and $44 million and $12 million for the nine months ended September 30, 2021 and 2020, respectively. As of September 30, 2021, the interest rate swaps derivative liability of $47 million was recorded in Other long-term liabilities. Net settlement of these interest rate swaps results in the reclassification of deferred gains and losses within AOCI to be reclassified to the income statement as a component of interest expense as settlements occur. The estimated amount of existing gains or losses that are reported in AOCI at the reporting date that are expected to be reclassified into earnings within the next 12 months is approximately $39 million.

Accumulated Other Comprehensive Income (Loss)

The changes in AOCI by component, net of tax, for the periods through September 30, 2021 and 2020 are shown below.

(In millions)	Unrealized Net Gains on Derivative Instruments	Foreign Currency Translation Adjustments	Other	Total
Balances as of December 31, 2019 [(a)]	$ —	$ —	$ —	$ —
Other comprehensive income before reclassifications	2	1	—	3
Amounts reclassified from accumulated other comprehensive income	12	—	—	12
Total other comprehensive income, net of tax	14	1	—	15
Balances as of September 30, 2020	$ 14	$ 1	$ —	$ 15
Balances as of December 31, 2020	$ 26	$ 8	$ —	$ 34
Other comprehensive loss before reclassifications	(2)	—	(1)	(3)
Amounts reclassified from accumulated other comprehensive income	14	—	—	14
Total other comprehensive income (loss), net of tax	12	—	(1)	11
Balances as of March 31, 2021	38	8	(1)	45
Other comprehensive income (loss) before reclassifications	(5)	(11)	3	(13)
Amounts reclassified from accumulated other comprehensive income	15	—	—	15
Total other comprehensive income (loss), net of tax	10	(11)	3	2
Balances as of June 30, 2021	48	(3)	2	47
Other comprehensive loss before reclassifications	(4)	(33)	(3)	(40)
Amounts reclassified from accumulated other comprehensive income	15	—	—	15
Total other comprehensive income (loss), net of tax	11	(33)	(3)	(25)
Balances as of September 30, 2021	$ 59	$ (36)	$ (1)	$ 22

[(a)] *Prior to the Merger, there was no AOCI activity.*

Note 8. Litigation, Commitments and Contingencies

Litigation

General

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

COVID-19 Insurance Claims

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

Contractual Commitments

The following contractual commitments were assumed by the Company associated with Former Caesars as result of the consummation of the Merger.

Capital Commitments

Harrah's New Orleans

In April 2020, the Company and the State of Louisiana, by and through the Louisiana Gaming Control Board, entered into an Amended and Restated Casino Operating Contract. Additionally, the Company, New Orleans Building Corporation and the City entered into a Second Amended and Restated Lease Agreement (the "Ground Lease"). Based on these amendments related to Harrah's New Orleans, the Company is required to make certain payments and to make a capital investment of $325 million on or around Harrah's New Orleans by July 15, 2024. In connection with the capital investment in Harrah's New Orleans, we expect to rebrand the property as Caesars New Orleans.

Atlantic City

As required by the New Jersey Gaming Control Board in connection with its approval of the Merger, we have funded $400 million in escrow to provide funds for a three year capital expenditure plan in the state of New Jersey. This amount is currently included in restricted cash in Other assets, net. As of September 30, 2021, our restricted cash balance in the escrow account is $328 million for future capital expenditures in New Jersey.

Sports Sponsorship/Partnership Obligations

We have agreements with certain professional sports leagues and teams, sporting event facilities and sports television networks for tickets, suites, and advertising, marketing, promotional and sponsorship opportunities including communication with partner customer databases. Additionally, a selection of such partnerships provide Caesars with exclusivity to access the aforementioned rights within the casino and/or sports betting category. As of September 30, 2021, obligations related to these agreements were $866 million, which include obligations assumed in the William Hill Acquisition, with contracts extending through 2041. These obligations include leasing of event suites that are generally considered short term leases for which we do not record a right of use asset or lease liability. We recognize expenses in the period services are rendered in accordance with the various agreements. In addition, assets or liabilities may be recorded related to the timing of payments as required by the respective agreement.

Self-Insurance

We are self-insured for workers compensation and other risk insurance, as well as health insurance and general liability. Our total estimated self-insurance liability as of September 30, 2021 and December 31, 2020 was $226 million and $223 million, respectively, which is included in Accrued other liabilities in our Balance Sheets.

The assumptions, including those related to the COVID-19 public health emergency, utilized by our actuaries are subject to significant uncertainty and if outcomes differ from these assumptions or events develop or progress in a negative manner, the Company could experience a material adverse effect and additional liabilities may be recorded in the future.

Contingencies

Weather disruption - Lake Charles

On August 27, 2020, Hurricane Laura made landfall on Lake Charles as a Category 4 storm severely damaging the Isle of Capri Casino Lake Charles. During the nine months ended September 30, 2021, the Company received insurance proceeds of approximately $44 million related to damaged fixed assets and remediation costs. The Company also recorded a gain of approximately $22 million as proceeds received for the cost to replace damaged property were in excess of the respective carrying value of the assets. The property will remain closed until the second half of 2022 when construction of a new land-based casino is expected to be complete.

Note 9. Long-Term Debt

Long-term debt consisted of the following:

(Dollars in millions)	Final Maturity	Rates	September 30, 2021 Face Value	September 30, 2021 Book Value	December 31, 2020 Book Value
Secured Debt					
CRC Revolving Credit Facility	2022	variable	$ —	$ —	$ —
Baltimore Revolving Credit Facility	2022	variable	—	—	—
CRC Term Loan	2024	variable	4,524	4,176	4,133
Baltimore Term Loan	2024	variable	283	275	—
CEI Revolving Credit Facility	2025	variable	—	—	—
CRC Incremental Term Loan	2025	variable	1,782	1,705	1,707
CRC Senior Secured Notes	2025	5.75%	1,000	983	981
CEI Senior Secured Notes	2025	6.25%	3,400	3,343	3,333
Convention Center Mortgage Loan	2025	7.70%	400	399	397
Unsecured Debt					
5% Convertible Notes	2024	5.00%	—	—	288
CRC Notes	2025	5.25%	811	728	1,499
CEI Senior Notes	2027	8.125%	1,724	1,696	1,768
Senior Notes	2029	4.625%	1,200	1,183	—
Special Improvement District Bonds	2037	4.30%	49	49	51
Long-term notes and other payables			2	2	2
Total debt			15,175	14,539	14,159
Current portion of long-term debt			(70)	(70)	(67)
Deferred finance charges associated with the CEI Revolving Credit Facility			—	(16)	(19)
Long-term debt			$ 15,105	$ 14,453	$ 14,073
Unamortized premiums, discounts and deferred finance charges				$ 652	$ 883
Fair value			$ 15,632		

Annual Estimated Debt Service Requirements as of September 30, 2021

(In millions)	Remaining 2021	Years Ended December 31, 2022	2023	2024	2025	Thereafter	Total
Annual maturities of long-term debt	$ 18	$ 70	$ 70	$ 4,714	$ 7,337	$ 2,966	$ 15,175
Estimated interest payments	90	810	790	820	580	520	3,610
Total debt service obligation [(a)]	$ 108	$ 880	$ 860	$ 5,534	$ 7,917	$ 3,486	$ 18,785

[(a)] *Debt principal payments are estimated amounts based on contractual maturity and repayment dates. Interest payments are estimated based on the forward-looking LIBOR curve, where applicable, and include the estimated impact of the seven interest rate swap agreements related to our CRC Credit Facility (see Note 7). Actual payments may differ from these estimates.*

Current Portion of Long-Term Debt

The current portion of long-term debt as of September 30, 2021 includes the principal payments on the term loans, other unsecured borrowings, and special improvement district bonds that are contractually due within 12 months. The Company may, from time to time, seek to repurchase its outstanding indebtedness. Any such purchases may be funded by existing cash balances or the incurrence of debt. The amount and timing of any repurchase will be based on business and market conditions, capital availability, compliance with debt covenants and other considerations.

Debt Discounts or Premiums and Deferred Finance Charges

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

Fair Value

The fair value of debt has been calculated primarily based on the borrowing rates available as of September 30, 2021 and based on market quotes of our publicly traded debt. We classify the fair value of debt within Level 1 and Level 2 in the fair value hierarchy.

Terms of Outstanding Debt

CRC Term Loans and CRC Revolving Credit Facility

CRC is party to the Credit Agreement, dated as of December 22, 2017 (as amended, the “CRC Credit Agreement”), which included a $1.0 billion five-year revolving credit facility (the “CRC Revolving Credit Facility”) and an initial $4.7 billion seven-year first lien term loan (the “CRC Term Loan”), which was increased by $1.8 billion pursuant to an incremental agreement executed in connection with the Merger (the “CRC Incremental Term Loan”).

The CRC Term Loan matures in December 2024 and the CRC Incremental Term Loan matures in July 2025. The CRC Revolving Credit Facility matures in December 2022 and includes a $400 million letter of credit sub-facility. The CRC Term Loan and the CRC Incremental Term Loan require scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CRC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions.

Borrowings under the CRC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan, (b) with respect to the CRC Incremental Term Loan, 4.50% per annum in the case of any LIBOR loan or 3.50% in the case of any base rate loan and (c) in the case of the CRC Revolving Credit Facility, 2.25% per annum in the case of any LIBOR loan and 1.25% per annum in the case of any base rate loan, subject in the case of the CRC Revolving Credit Facility to two 0.125% step-downs based on CRC’s senior secured leverage ratio (“SSLR”), the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization. The CRC Revolving Credit Facility is subject to a financial covenant discussed below. On September 21, 2021, CRC entered into a second amendment related to the CRC Incremental Term Loan to reduce the interest rate margins to 3.50% per annum in the case of any LIBOR loan or 2.50% per annum in the case of any base rate loan.

In addition, CRC is required to pay a commitment fee in respect of any commitments under the CRC Revolving Credit Facility in the amount of 0.50% of the principal amount of the commitments, subject to step-downs to 0.375% and 0.25% based upon CRC’s SSLR. CRC is also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer’s customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

The Company had $1.0 billion of available borrowing capacity, after consideration of $70 million in outstanding letters of credit under CRC Revolving Credit Facility, as of September 30, 2021.

Baltimore Term Loan and Baltimore Revolving Credit Facility

As a result of the acquisition of an increased ownership interest in Horseshoe Baltimore, Horseshoe Baltimore’s outstanding indebtedness, including $284 million in the aggregate principal amount of a senior secured term loan facility (the “Baltimore Term Loan”) and amounts outstanding, if any, under Horseshoe Baltimore’s senior secured revolving credit facility (the “Baltimore Revolving Credit Facility”) has been consolidated in the Company’s financial statements. The Baltimore Term Loan matures in 2024 and is subject to a variable rate of interest calculated as LIBOR plus 4.00%. The Baltimore Revolver Credit Facility has borrowing capacity of up to $10 million available and matures in 2022, subject to a variable rate of interest calculated as LIBOR plus 6.00%. As of September 30, 2021, there was $10 million of available borrowing capacity under the Baltimore Revolving Credit Facility.

CEI Revolving Credit Facility

On July 20, 2020, the Escrow Issuer entered into a new credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent, and certain banks and other financial institutions and lenders party thereto, which provide for a five-year CEI Revolving Credit Facility in an aggregate principal amount of $1.2 billion (the "CEI Revolving Credit Facility"). The CEI Revolving Credit Facility matures in July 2025 and includes a letter of credit sub-facility of $250 million.

The interest rate per annum applicable under the CEI Revolving Credit Facility, at the Company's option is either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by JPMorgan Chase Bank, N.A. and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be 3.25% per annum in the case of any LIBOR loan and 2.25% per annum in the case of any base rate loan, subject to three 0.25% step-downs based on the Company's total leverage ratio.

Additionally, the Company is required to pay a commitment fee in respect of any unused commitments under CEI Revolving Credit Facility in the amount of 0.50% of principal amount of the commitments of all lenders, subject to a step-down to 0.375% based upon the Company's total leverage ratio. The Company is also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer's customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

The Company had $1.1 billion of available borrowing capacity, after consideration of $22 million in outstanding letters of credit and $48 million committed for regulatory purposes under the CEI Revolving Credit Facility, as of September 30, 2021.

CRC Senior Secured Notes due 2025

On July 6, 2020, the Company issued $1.0 billion in aggregate principal amount of 5.75% Senior Notes due 2025 pursuant to an indenture, dated July 6, 2020 (the "CRC Senior Secured Notes"), by and among the Escrow Issuer, U.S. Bank National Association, as trustee and Credit Suisse AG, Cayman Islands Branch, as collateral agent. In connection with the consummation of the Merger, CRC assumed the rights and obligations under the CRC Senior Secured Notes and the indenture governing such notes. The CRC Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year.

CEI Senior Secured Notes due 2025

On July 6, 2020, the Escrow Issuer issued $3.4 billion in aggregate principal amount of 6.25% Senior Secured Notes due 2025 pursuant to an indenture dated July 6, 2020 (the "CEI Senior Secured Notes"), by and among the Escrow Issuer, U.S. Bank National Association, as trustee, and U.S. Bank National Association, as collateral agent. The Company assumed the rights and obligations under the CEI Senior Secured Notes and the indenture governing such notes on July 20, 2020. The CEI Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year.

Convention Center Mortgage Loan

On September 18, 2020, the Company entered into a loan agreement with VICI to borrow a 5-year, $400 million Forum Convention Center mortgage loan (the "Mortgage Loan"). The Mortgage Loan bears interest at a rate of, initially, 7.7% per annum, which escalates annually to a maximum interest rate of 8.3% per annum. Beginning October 1, 2021, the Mortgage Loan is subject to an interest rate of 7.854% for the next twelve months.

5% Convertible Notes

The 5% Convertible Notes were convertible into approximately 0.014 shares of the Company's Common Stock ("Company Common Stock") and approximately $1.17 of cash per $1.00 principal amount of the 5% Convertible Notes. During the six months ended June 30, 2021, the Company converted the remaining outstanding aggregate principal amount of the 5% Convertible Notes, which resulted in cash payments of $367 million, net of approximately $12 million paid into our trust accounts and the issuance of approximately 5 million shares of Company Common Stock. The fair value of the shares contributed to, and held in, the trust was $14 million, which is included within Treasury stock. The Company recognized a loss on the change in fair value of the derivative liability of $16 million recorded in Other income (loss) and a $23 million loss on extinguishment of debt, related to the unamortized discount, on the Statement of Operations.

CRC Notes

On October 16, 2017, CRC issued $1.7 billion aggregate principal amount of 5.25% senior notes due 2025 (the "CRC Notes"). On September 24, 2021, $889 million in aggregate principal amount of the CRC Notes was repaid. The Company recognized a total of $106 million of loss on extinguishment of debt. The remaining $811 million in aggregate principal amount of the CRC Notes was redeemed on October 15, 2021 and the Company recognized approximately $93 million of loss on extinguishment of debt. The Company classified the cash used to repay the remaining aggregate principal balance as long-term restricted cash in Other assets, net as of September 30, 2021.

CEI Senior Notes due 2027

On July 6, 2020, the Escrow Issuer issued $1.8 billion in aggregate principal amount of 8.125% Senior Notes due 2027 pursuant to an indenture, dated July 6, 2020 (the "CEI Senior Notes"), by and between the Escrow Issuer and U.S. Bank National Association, as trustee. The Company assumed the rights and obligations under the CEI Senior Notes and the indenture governing such notes on July 20, 2020. The CEI Secured Notes will mature on July 1, 2027, with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year. In September 2021, the Company began to repurchase CEI Senior Notes on the open market and, as of September 30, 2021, a total of $76 million in principal amount of CEI Senior Notes was purchased and the Company recognized a $10 million of loss on the early extinguishment of debt. The Company purchased an additional $24 million in aggregate principal amount of CEI Senior Notes subsequent to September 30, 2021.

Senior Notes due 2029

On September 24, 2021, the Company issued $1.2 billion in aggregate principal amount of 4.625% Senior Notes due 2029 (the "Senior Notes") pursuant to an indenture dated as of September 24, 2021 between the Company and U.S. Bank National Association, as Trustee. The Senior Secured Notes will mature on October 15, 2029 with interest payable on April 15 and October 15 of each year, commencing April 15, 2022. Proceeds from the issuance of the Senior Notes, as well as cash on hand, was used to repay the CRC Notes, as described above.

Debt Covenant Compliance

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

The CRC Revolving Credit Facility and CEI Revolving Credit Facility include a maximum first-priority net senior secured leverage ratio financial covenant of 6.35:1, which is applicable solely to the extent that certain testing conditions are satisfied. The Baltimore Revolving Credit Facility includes a senior secured leverage ratio financial covenant of 5.0:1. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document. The Company is subject to the financial covenant for quarters beginning after September 30, 2021.

As of September 30, 2021, the Company was in compliance with all of the applicable financial covenants described above.

Guarantees

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

The CRC Credit Agreement and the CRC Senior Secured Notes are guaranteed on a senior secured basis by each existing and future material wholly-owned domestic subsidiary of CRC (subject to certain exceptions) and are secured by substantially all of the existing and future property and assets of CRC and its subsidiary guarantors (subject to certain exceptions). The CRC Credit Agreement and the CRC Senior Secured Notes are also guaranteed on a senior unsecured basis by CEI. The CRC Notes, paid off subsequent to September 30, 2021, were guaranteed on a senior unsecured basis by such subsidiaries.

Note 10. Revenue Recognition

The Company's Statements of Operations presents net revenue disaggregated by type or nature of the good or service. A summary of net revenues disaggregated by type of revenue and reportable segment is presented below. We recast previously reported segment amounts to conform to the way management assesses results and allocates resources following the Merger and the William Hill Acquisition. Refer to Note 15 for additional information on the Company's reportable segments.

	Three Months Ended September 30, 2021					
(In millions)	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino and pari-mutuel commissions	$ 329	$ 1,096	$ 85	$ —	$ —	$ 1,510
Food and beverage	221	125	—	1	—	347
Hotel	303	208	—	—	—	511
Other	164	63	11	78	1	317
Net revenues	$ 1,017	$ 1,492	$ 96	$ 79	$ 1	$ 2,685

	Three Months Ended September 30, 2020					
(In millions)	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino and pari-mutuel commissions	$ 122	$ 825	$ 34	$ —	$ —	$ 981
Food and beverage	52	74	—	1	—	127
Hotel	79	121	—	—	—	200
Other	51	35	5	40	4	135
Net revenues	$ 304	$ 1,055	$ 39	$ 41	$ 4	$ 1,443

	Nine Months Ended September 30, 2021					
(In millions)	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino and pari-mutuel commissions	$ 870	$ 3,241	$ 197	$ —	$ —	$ 4,308
Food and beverage	476	318	—	3	—	797
Hotel	660	462	—	—	—	1,122
Other	363	152	24	203	10	752
Net revenues	$ 2,369	$ 4,173	$ 221	$ 206	$ 10	$ 6,979

	Nine Months Ended September 30, 2020					
(In millions)	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino and pari-mutuel commissions	$ 122	$ 1,247	$ 53	$ —	$ —	$ 1,422
Food and beverage	52	137	—	1	—	190
Hotel	79	178	—	—	—	257
Other	51	70	5	40	8	174
Net revenues	$ 304	$ 1,632	$ 58	$ 41	$ 8	$ 2,043

Accounts receivable, net include the following amounts:

(In millions)	September 30, 2021	December 31, 2020
Casino and pari-mutuel commissions	$ 141	$ 137
Food and beverage and hotel	91	25
Other	206	180
Accounts receivable, net	$ 438	$ 342

Contract and Contract Related Liabilities

The Company records contract or contract-related liabilities related to differences between the timing of cash receipts from the customer and the recognition of revenue. The Company generally has three types of liabilities related to contracts with customers: (1) outstanding chip liability, which represents the amounts owed in exchange for gaming chips held by a customer,

(2) Caesars Rewards player loyalty program obligations, which represent the deferred allocation of revenue relating to reward credits granted to Caesars Rewards members based on on-property spending, including gaming, hotel, dining, retail shopping, and player loyalty program incentives earned, and (3) customer deposits and other deferred revenue, which primarily represents funds deposited by customers related to gaming play and advance payments received for goods and services yet to be provided (such as advance ticket sales, deposits on rooms and convention space or for unpaid future racing and sports event wagers). These liabilities are generally expected to be recognized as revenue within one year of being purchased, earned, or deposited and are recorded within accrued other liabilities on the Company's Balance Sheets.

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

	Outstanding Chip Liability		Caesars Rewards		Customer Deposits and Other Deferred Revenue	
(In millions)	2021	2020	2021	2020	2021	2020
Balance at January 1	$ 34	$ 10	$ 94	$ 13	$ 281	$ 172
Balance at September 30	34	28	96	106	404	270
Increase / (decrease)	$ —	$ 18	$ 2	$ 93	$ 123	$ 98

The September 30, 2021 balances exclude liabilities related to assets held for sale recorded in 2021 and 2020 (see Note 3).

Lease Revenue

Lodging Arrangements

Lodging arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of the fees charged for lodging. The nonlease components primarily consist of resort fees and other miscellaneous items. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. During the three months ended September 30, 2021 and 2020, we recognized approximately $511 million and $200 million, respectively, and during the nine months ended September 30, 2021 and 2020, we recognized approximately $1.1 billion and $257 million, respectively, in lease revenue related to lodging arrangements, which is included in Hotel revenues in the Statements of Operations.

Conventions

Convention arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of fees charged for the use of meeting space. The nonlease components primarily consist of food and beverage and audio/visual services. Conventions substantially ceased in mid-March 2020 due to COVID-19 and have recently resumed but have yet to return to pre-pandemic levels. Revenue from conventions is included in Other revenue in the Statements of Operations, and during the three months ended September 30, 2021 and 2020, lease revenue related to conventions was approximately $4 million and $2 million, respectively, and during the nine months ended September 30, 2021 and 2020 lease revenue related to conventions was approximately $4 million and $2 million, respectively.

Real Estate Operating Leases

Real estate lease revenue is included in Other revenue in the Statements of Operations. During the three months ended September 30, 2021 and 2020, we recognized approximately $46 million and $15 million, respectively, of real estate lease revenue and during the nine months ended September 30, 2021 and 2020, we recognized approximately $111 million and $18 million, respectively, of real estate lease revenue.

Real estate lease revenue includes $16 million and $3 million of variable rental income for the three months ended September 30, 2021 and 2020, respectively, and $35 million and $3 million of variable rental income for the nine months ended September 30, 2021 and 2020, respectively.

Note 11. Earnings per Share

The following table illustrates the reconciliation of the numerators and denominators of the basic and diluted net loss per share computations for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	2021	2020	2021	2020
Net loss from continuing operations attributable to Caesars, net of income taxes	$ (229)	$ (919)	$ (547)	$ (1,195)
Discontinued operations, net of income taxes	(4)	(7)	(38)	(7)
Net loss attributable to Caesars	$ (233)	$ (926)	$ (585)	$ (1,202)
Shares outstanding:				
Weighted average shares outstanding – basic	214	152	211	104
Weighted average shares outstanding – diluted	214	152	211	104
Basic loss per share from continuing operations	$ (1.08)	$ (6.04)	$ (2.60)	$ (11.49)
Basic loss per share from discontinued operations	(0.02)	(0.05)	(0.18)	(0.07)
Net loss per common share attributable to common stockholders – basic:	$ (1.10)	$ (6.09)	$ (2.78)	$ (11.56)
Diluted loss per share from continuing operations	$ (1.08)	$ (6.04)	$ (2.60)	$ (11.49)
Diluted loss per share from discontinued operations	(0.02)	(0.05)	(0.18)	(0.07)
Net loss per common share attributable to common stockholders – diluted:	$ (1.10)	$ (6.09)	$ (2.78)	$ (11.56)

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

Weighted-Average Number of Anti-Dilutive Shares Excluded from Calculation of EPS

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2021	2020	2021	2020
Stock-based compensation awards	3	3	3	7
5% Convertible Notes	—	8	—	8
Total anti-dilutive common stock	3	11	3	15

Note 12. Stock-Based Compensation and Stockholders’ Equity

Stock-Based Awards

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

Total stock-based compensation expense in the accompanying Statements of Operations totaled $21 million and $45 million during the three months ended September 30, 2021 and 2020, respectively, and $64 million and $55 million during the nine months ended September 30, 2021 and 2020, respectively. These amounts are included in Corporate expense in the Company’s Statements of Operations.

2015 Equity Incentive Plan (“2015 Plan”)

During the nine months ended September 30, 2021, as part of the annual incentive program, the Company granted 642 thousand RSUs to employees of the Company with an aggregate fair value of $46 million and a ratable vesting period of either two or three years. Each RSU represents the right to receive payment in respect of one share of the Company’s Common Stock.

During the nine months ended September 30, 2021, the Company also granted 81 thousand PSUs that are scheduled to vest in three years. On the vesting date, recipients will receive between 0% and 200% of the target number of PSUs granted, in the form of Company Common Stock, based on the achievement of specified performance and service conditions. The fair value of the PSUs is based on the market price of our common stock when a mutual understanding of the key terms and conditions of the awards between the Company and recipient is achieved. The awards are remeasured each period until such an understanding is reached. The aggregate value of PSUs granted during the year was $9 million as of September 30, 2021.

In addition, during the nine months ended September 30, 2021, the Company granted 147 thousand MSUs that are scheduled to cliff vest in three years. On the vesting date, recipients will receive between 0% and 200% of the target number of MSUs granted, in the form of Company Common Stock, based on the achievement of specified market and service conditions. The grant date fair value of the MSUs was determined using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient. The effect of market conditions is considered in determining the grant date fair value, which is not subsequently revised based on actual performance. The aggregate value of MSUs granted during the nine months ended September 30, 2021 was $15 million.

During the nine months ended September 30, 2021, there were no grants of stock options and 110 thousand stock options were exercised. In addition, during the nine months ended September 30, 2021, 832 thousand, 162 thousand, and 208 thousand of RSUs, PSUs and MSUs, respectively, vested under the 2015 plan.

Outstanding at End of Period

	September 30, 2021		December 31, 2020	
	Quantity	**Wtd-Avg** [(a)]	**Quantity**	**Wtd-Avg** [(a)]
Stock options	49,574	$ 21.37	176,724	$ 22.57
Restricted stock units	2,126,661	49.87	2,414,111	42.55
Performance stock units [(b)]	417,069	62.20	500,482	48.32
Market-based stock units	383,098	76.97	446,087	49.37

(a) Represents the weighted-average exercise price for stock options, weighted-average grant date fair value for RSUs, weighted-average grant date fair value for PSUs where the grant date has been achieved, the price of CEI common stock as of the balance sheet date for PSUs where a grant date has not been achieved, and the fair value of the MSUs determined using the Monte-Carlo simulation model.
(b) PSUs were presented with RSUs as of December 31, 2020 in the 2020 Annual Report.

Share Repurchase Program

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

As of September 30, 2021, the Company has acquired 223,823 shares of common stock under the Share Repurchase Program at an aggregate value of $9 million and an average of $40.80 per share. No shares were repurchased during the nine months ended September 30, 2021 and 2020.

Changes to the Authorized Shares

On June 17, 2021, following receipt of required shareholder approvals, the Company amended its Certificate of Incorporation to increase the number of authorized shares of common stock from 300 million to 500 million, and authorize the issuance of up to 150 million shares of preferred stock.

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Note 13. Income Taxes

Income Tax Allocation

(In millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Loss from continuing operations before income taxes	$ (317)	$ (780)	$ (712)	$ (1,127)
Benefit (provision) for income taxes	90	(138)	167	(67)
Effective tax rate	28.4 %	(17.7)%	23.5 %	(5.9)%

We classify accruals for uncertain tax positions within Other long-term liabilities on the Balance Sheets separate from any related income tax payable which is reported within Accrued other liabilities. The accrual amounts relate to any potential income tax liabilities resulting from uncertain tax positions as well as potential interest or penalties associated with those liabilities.

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

As a result of the Merger, the Company assumed $767 million of additional net deferred tax liabilities net of necessary valuation allowances, plus $24 million in additional accruals for uncertain tax positions. As a result of the William Hill Acquisition, the Company assumed $356 million of additional net deferred tax liabilities net of necessary valuation allowances, plus $34 million in additional accruals for uncertain tax positions. $127 million of the additional deferred tax liabilities and $34 million of the accruals for uncertain tax positions relating to the William Hill Acquisition are presented in Liabilities related to assets held for sale.

The income tax benefit for the three months ended September 30, 2021 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to the realization of capital losses previously not tax benefited due to the acquisition of William Hill. The income tax benefit for the nine months ended September 30, 2021 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to state taxes and the reclassification of Horseshoe Hammond from held for sale, offset by nondeductible expense related to the 5% Convertible Notes conversion.

The income tax benefit for the three and nine months ended September 30, 2020 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to an increase in the valuation allowance against the deferred tax assets due to the series of transactions with VICI during the quarter.

The Company, including its subsidiaries, files tax returns with federal, state, and foreign jurisdictions. The Company does not have tax sharing agreements with the other members within its consolidated group. The Company is subject to exam by various state and foreign tax authorities. With few exceptions, the Company is no longer subject to examinations by tax authorities for years before 2017, and it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

Note 14. Related Affiliates

REI

As of September 30, 2021, Recreational Enterprises, Inc. (“REI”) owned approximately 4.0% of outstanding common stock of the Company. The directors of REI are the Company’s Executive Chairman of the Board, Gary L. Carano, its Chief Executive Officer and Board member, Thomas R. Reeg, and its former Senior Vice President of Regional Operations, Gene Carano. In addition, Gary L. Carano also serves as the Vice President of REI and Gene Carano also serves as the Secretary and Treasurer of REI. Members of the Carano family, including Gary L. Carano and Gene Carano, own the equity interests in REI. During the nine months ended September 30, 2021 and 2020, there were no related party transactions between the Company and the Carano family other than compensation, including salary and equity incentives, and the CSY Lease listed below.

C. S. & Y. Associates

The Company owns the entire parcel on which Eldorado Reno is located, except for approximately 30,000 square feet which is leased from C. S. & Y. Associates (“CSY”) which is an entity partially owned by REI (the “CSY Lease”). The CSY Lease expires on June 30, 2057. Annual rent pursuant to the CSY Lease is currently $0.6 million, paid quarterly. Annual rent is subject to periodic rent escalations through the term of the lease. As of September 30, 2021 and December 31, 2020, there were no amounts due to or from CSY.

Transactions with Horseshoe Baltimore

The Company held an interest in Horseshoe Baltimore of approximately 44.3%, which was accounted for as an equity method investment, prior to our acquisition of an additional interest and subsequent consolidation on August 26, 2021. These related party transactions included items such as casino management fees, reimbursement of various costs incurred on behalf of Horseshoe Baltimore, and the allocation of other general corporate expenses.

Transactions with NeoGames

The Company holds an interest in NeoGames (see Note 4). NeoGames provides the player account management system to our wholly-owned Liberty online gaming applications. We have a dedicated team of programmers at NeoGames working on enhancements to our player account management system on our behalf, for which NeoGames is compensated under a services agreement.

Due from/to Affiliates

Amounts due from or to affiliates for each counterparty represent the net receivable or payable as of the end of the reporting period primarily resulting from the transactions described above and settled on a net basis by each counterparty in accordance with the legal and contractual restrictions governing transactions by and among the Company's consolidated entities. As of December 31, 2020, Due from affiliates, net was $44 million, and represented transactions with Horseshoe Baltimore and William Hill. Amounts due from/to William Hill and Horseshoe Baltimore eliminate upon consolidation. See Note 2.

Note 15. Segment Information

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a "significant market" basis. Management views each of the Company's casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. Prior to the William Hill Acquisition, our principal operating activities occurred in three regionally-focused reportable segments: Las Vegas, Regional, and Managed, International, CIE, in addition to Corporate and Other. Following the William Hill Acquisition, the Company's principal operating activities occur in four reportable segments. The reportable segments are based on the similar characteristics of the operating segments with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between these reportable segments within Caesars: (1) Las Vegas, (2) Regional, (3) Caesars Digital, and (4) Managed and Branded, in addition to Corporate and Other. See table below for a summary of these segments. Also, see Note 3 and Note 6 for a discussion of any impairment of intangibles or long-lived assets related to certain segments.

The following table sets forth certain information regarding our properties (listed by segment in which each property is reported) as of September 30, 2021:

Las Vegas	Regional		Managed and Branded
Bally's Las Vegas [(a)]	Eldorado Resort Casino Reno	Harrah's Atlantic City [(a)]	*Managed*
Caesars Palace Las Vegas [(a)]	Silver Legacy Resort Casino	Harrah's Laughlin [(a)]	Harrah's Ak-Chin [(a)]
The Cromwell [(a)]	Circus Circus Reno	Harrah's New Orleans [(a)]	Harrah's Cherokee [(a)]
Flamingo Las Vegas [(a)]	MontBleu Casino Resort & Spa [(c)]	Hoosier Park [(a)]	Harrah's Cherokee Valley River [(a)]
Harrah's Las Vegas [(a)]	Tropicana Laughlin Hotel & Casino	Indiana Grand [(a)]	Harrah's Resort Southern California [(a)]
The LINQ Hotel & Casino [(a)]	Isle Casino Hotel - Black Hawk	Caesars Atlantic City [(a)]	Caesars Windsor [(a)]
Paris Las Vegas [(a)]	Lady Luck Casino - Black Hawk	Harrah's Council Bluffs [(a)]	Caesars Dubai [(a)]
Planet Hollywood Resort & Casino [(a)]	Isle Casino Waterloo	Harrah's Gulf Coast [(a)]	
Rio All-Suite Hotel & Casino [(a)]	Isle Casino Bettendorf	Harrah's Joliet [(a)]	*Branded*
	Isle of Capri Casino Boonville	Harrah's Lake Tahoe [(a)]	Caesars Southern Indiana [(a)(e)]
Caesars Digital	Isle Casino Racing Pompano Park	Harrah's Louisiana Downs [(a)(b)]	Harrah's Northern California [(a)]
Caesars Digital	Isle of Capri Casino Hotel Lake Charles	Harrah's Metropolis [(a)]	
	Belle of Baton Rouge Casino & Hotel [(g)]	Harrah's North Kansas City [(a)]	
	Isle of Capri Casino Lula	Harrah's Philadelphia [(a)]	
	Trop Casino Greenville	Harveys Lake Tahoe [(a)]	
	Eldorado Gaming Scioto Downs	Horseshoe Baltimore [(a)(f)]	
	Tropicana Casino and Resort, Atlantic City	Horseshoe Bossier City [(a)]	
	Grand Victoria Casino	Horseshoe Council Bluffs [(a)]	
	Lumière Place Casino	Horseshoe Hammond [(a)]	
	Tropicana Evansville [(d)]	Horseshoe Tunica [(a)]	

(a) These properties were acquired from the Merger on July 20, 2020.
(b) On September 3, 2020, the Company entered into an agreement to sell Harrah's Louisiana Downs, which met the requirements for presentation as discontinued operations as of September 30, 2021. On November 1, 2021, the sale of Harrah's Louisiana Downs was completed.
(c) In April 2020, the Company entered into an agreement to sell MontBleu. The sale of MontBleu closed on April 6, 2021.
(d) On October 27, 2020, the Company entered into an agreement to sell Evansville. The sale of Evansville closed on June 3, 2021.
(e) On December 24, 2020, the Company entered into an agreement to sell Caesars Southern Indiana. The sale of Caesars Southern Indiana closed on September 3, 2021. Additionally, the Company and Eastern Band of Cherokee Indians extended their existing relationship by entering into a long-term license agreement for the continued use of the Caesars brand and Caesars Rewards loyalty program at Caesars Southern Indiana.
(f) On August 26, 2021, the Company increased its ownership interest in Horseshoe Baltimore to 75.8% and began to consolidate the property in our Regional segment following the change in ownership. Management fees prior to the consolidation of Horseshoe Baltimore have been reflected in the Managed and Branded segment.
(g) On December 1, 2020, the Company entered into an agreement to sell Belle of Baton Rouge, which is expected to close in the fourth quarter of 2021.

The properties listed above exclude the discontinued operations, including previous international properties which have been sold, or we have entered into agreements to sell. The sale of Caesars UK Group closed on July 16, 2021, in which the buyer assumed all liabilities associated with the Caesars UK Group. Additionally, on September 8, 2021, the Company entered into an agreement to sell William Hill International, which is expected to close in the first quarter of 2022.

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

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

The following table sets forth, for the periods indicated, certain operating data for the Company's four reportable segments. We recast previously reported segment amounts to conform to the way management assesses results and allocates resources for the current year.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Las Vegas:				
Net revenues	$ 1,017	$ 304	$ 2,369	$ 304
Adjusted EBITDA	500	43	1,085	43
Regional:				
Net revenues	1,492	1,055	4,173	1,632
Adjusted EBITDA	554	350	1,549	449
Caesars Digital:				
Net revenues	96	39	221	58
Adjusted EBITDA	(164)	11	(171)	20
Managed and Branded:				
Net revenues	79	41	206	41
Adjusted EBITDA	22	12	69	12
Corporate and Other:				
Net revenues	1	4	10	8
Adjusted EBITDA	(42)	(41)	(123)	(59)

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

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

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

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

(In millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Adjusted EBITDA by Segment:				
Las Vegas	$ 500	$ 43	$ 1,085	$ 43
Regional	554	350	1,549	449
Caesars Digital	(164)	11	(171)	20
Managed and Branded	22	12	69	12
Corporate and Other	(42)	(41)	(123)	(59)
	870	375	2,409	465
Reconciliation to net loss attributable to Caesars:				
Net income attributable to noncontrolling interests	(2)	(1)	(2)	(1)
Net loss from discontinued operations	(4)	(7)	(38)	(7)
Benefit (provision) for income taxes	90	(138)	167	(67)
Other income (loss) [(a)]	(153)	9	(176)	(1)
Loss on extinguishment of debt	(117)	(173)	(140)	(173)
Interest expense, net	(579)	(485)	(1,734)	(620)
Depreciation and amortization	(276)	(225)	(842)	(324)
Impairment charges	—	—	—	(161)
Transaction costs and other operating costs [(b)]	(21)	(220)	(113)	(243)
Stock-based compensation expense	(21)	(45)	(64)	(55)
Other items [(c)]	(20)	(16)	(52)	(15)
Net loss attributable to Caesars	$ (233)	$ (926)	$ (585)	$ (1,202)

[(a)] *Other income (loss) for the three and nine months ended September 30, 2021 primarily represents a loss on the change in fair value of investments held by the Company and a loss on the change in fair value of the derivative liability related to the 5% Convertible Notes. Other income (loss) for the three and nine months ended September 30, 2020 primarily represents unrealized loss on the change in fair value of the derivative liability related to the 5% Convertible Notes, slightly offset by gains on investments held by the Company and realized gains on conversion of the 5% Convertible Notes.*

[(b)] *Transaction costs and other operating costs for the three and nine months ended September 30, 2021 and 2020 primarily represent costs related to the William Hill Acquisition and the Merger, various contract or license termination exit costs, professional services, other acquisition costs and severance costs.*

[(c)] *Other items primarily represent certain consulting and legal fees, rent for non-operating assets, relocation expenses, retention bonuses, and business optimization expenses.*

(In millions)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Capital Expenditures, net		
Las Vegas	$ 39	$ 16
Regional [(a)]	199	62
Caesars Digital	43	—
Corporate and Other	34	20
Total	$ 315	$ 98

[(a)] *Includes $2 million of capital expenditures related to properties classified as discontinued operations for the nine months ended September 30, 2021.*

(In millions)	September 30, 2021	December 31, 2020
Total Assets		
Las Vegas	$ 22,071	$ 21,464
Regional	14,253	13,732
Caesars Digital	2,067	323
Managed and Branded	3,528	225
Corporate and Other [(a)]	(2,957)	641
Total	$ 38,962	$ 36,385

[(a)] *Includes eliminations of transactions among segments, to reconcile to the Company’s consolidated results.*

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

The following discussion and analysis of the financial position and operating results of Caesars Entertainment, Inc., a Delaware corporation, and its consolidated subsidiaries, which may be referred to as the "Company," "CEI," "Caesars," "we," "our," or "us," for the three and nine months ended September 30, 2021 and 2020 should be read in conjunction with the unaudited consolidated condensed financial statements and the notes thereto and other financial information included elsewhere in this Form 10-Q as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 ("2020 Annual Report"). Capitalized terms used but not defined in this Form 10-Q have the same meanings as in the 2020 Annual Report.

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

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

Objective

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

Overview

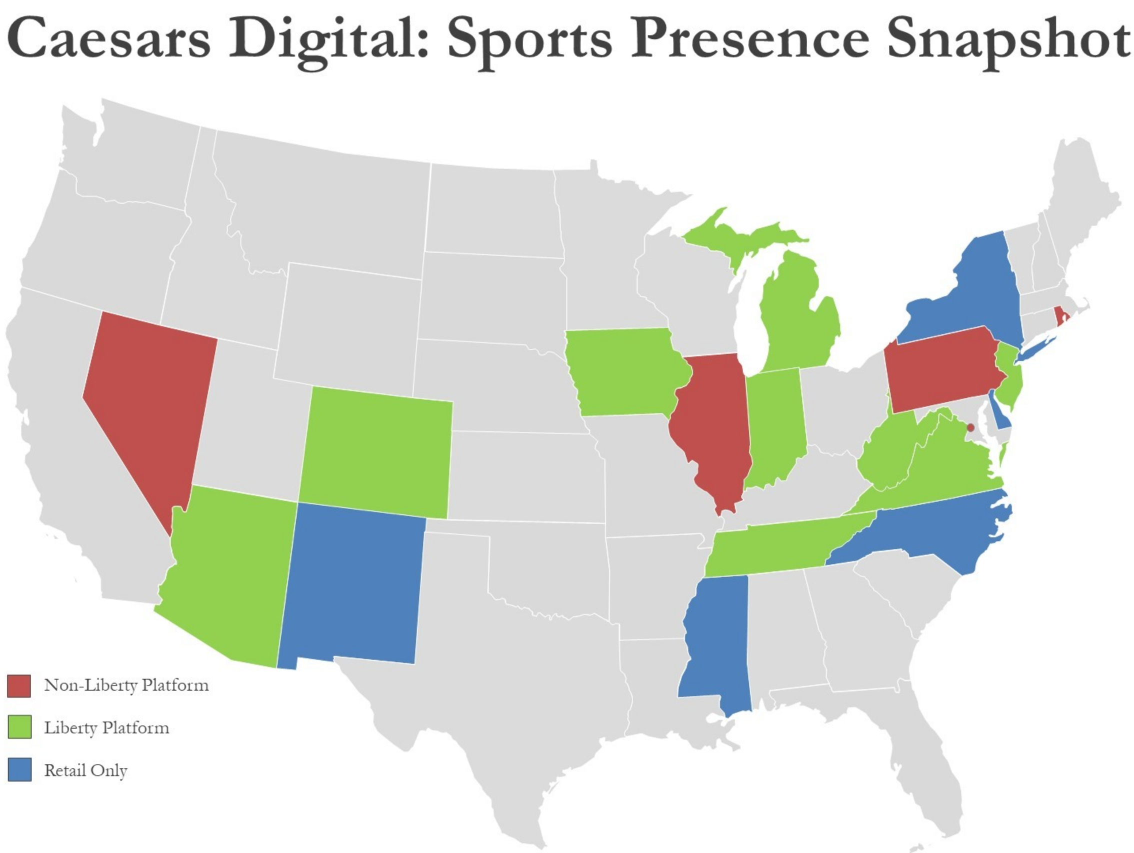
We are a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. We partnered with MGM Resorts International to build Silver Legacy Resort Casino in Reno, Nevada in 1993 and, beginning in 2005, we grew through a series of acquisitions, including the acquisition of Eldorado Resort Casino Shreveport ("Eldorado Shreveport") in 2005, MTR Gaming Group, Inc. in 2014, Circus Circus Reno and the 50% membership interest in the Silver Legacy that was owned by MGM Resorts International in 2015, Isle of Capri Casinos, Inc. ("Isle" or "Isle of Capri") in 2017 and Grand Victoria Casino and Tropicana Entertainment, Inc. in 2018. On July 20, 2020, we completed the merger with Caesars Entertainment Corporation ("Former Caesars") pursuant to which Former Caesars became our wholly-owned subsidiary (the "Merger").

On April 22, 2021, we completed the acquisition of William Hill PLC for £2.9 billion, or approximately $3.9 billion (the "William Hill Acquisition").

We own, lease, brand or manage an aggregate of 53 domestic properties in 16 states with approximately 56,000 slot machines, video lottery terminals and e-tables, approximately 2,900 table games and approximately 46,500 hotel rooms as of September 30, 2021. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. Upon completion of our previously announced sales, or expected sales, of certain gaming properties, we expect to continue to own, lease, brand or manage 51 properties. Our primary source of revenue is generated by our casino properties' gaming operations, as well as online gaming, and we utilize our hotels, restaurants, bars, entertainment, racing, sportsbook offerings, retail shops and other services to attract customers to our properties.

We own 20 of our casinos and lease 27 casinos in the U.S. We lease 19 casinos from VICI Properties L.P., a Delaware limited partnership ("VICI") pursuant to a regional lease, a Las Vegas lease and a Joliet lease. In addition, we lease seven casinos from GLP Capital, L.P., the operating partnership of Gaming and Leisure Properties, Inc. ("GLPI") pursuant to a Master Lease (as amended, the "GLPI Master Lease") and a Lumière lease. Additionally, we lease the Rio All-Suite Hotel & Casino from a separate third party.

We also operate and conduct sports wagering across 18 states plus the District of Columbia, 14 of which are mobile for sports betting, and operate regulated online real money gaming businesses in five states. Our recently launched Caesars Sportsbook app operates on the Liberty technology platform, which we acquired in the William Hill Acquisition along with other technology platforms that we intend to migrate to the Liberty technology platform in the future, subject to required approvals. The map below illustrates Caesars Digital's presence as of September 30, 2021:



Subsequent to September 30, 2021, we launched retail sports in Louisiana and are in the process of expanding our Caesars Digital footprint into other states in the near term.

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We periodically divest of assets in order to raise capital or as a result of a determination that the assets are not core to our business. We also divested certain assets in connection with regulatory approvals related to closing of the Merger. A summary of recently completed and planned divestitures of our properties as of September 30, 2021 is as follows:

Segment	Property	Date Sold	Location
Regional	Isle of Capri Casino Kansas City ("Kansas City")	July 1, 2020	Missouri
Regional	Lady Luck Casino Vicksburg ("Vicksburg")	July 1, 2020	Mississippi
Regional	Eldorado Resort Casino Shreveport	December 23, 2020 [a]	Louisiana
Regional	MontBleu Casino Resort & Spa ("MontBleu")	April 6, 2021 [a]	Nevada
Regional	Tropicana Evansville ("Evansville")	June 3, 2021 [b]	Indiana
Regional	Belle of Baton Rouge Casino & Hotel ("Baton Rouge")	N/A [c]	Louisiana
Discontinued operations [d]:			
Regional	Harrah's Louisiana Downs	November 1, 2021 [e]	Louisiana
Regional	Caesars Southern Indiana	September 3, 2021 [b][f]	Indiana
N/A	Emerald Resort & Casino	July 16, 2021 [g]	South Africa
N/A	Caesars Entertainment UK	July 16, 2021 [g]	United Kingdom
N/A	William Hill International	N/A [h]	United Kingdom

(a) On April 24, 2020, we entered into a definitive purchase agreement with Bally's Corporation (formerly Twin River Worldwide Holdings, Inc.) and certain of its affiliates for the sale of the equity interests of Eldorado Resort Casino Shreveport Joint Venture and Columbia Properties Tahoe, LLC, the entities that hold Eldorado Shreveport and MontBleu for aggregate consideration of $155 million, subject to a customary working capital adjustment. The sale of Eldorado Shreveport closed on December 23, 2020 and the sale of MontBleu closed on April 6, 2021. As a result of the sale of MontBleu, an impairment charge totaling $45 million was recorded during the nine months ended September 30, 2020 due to the carrying value exceeding the estimated net sales proceeds from the sale.

(b) In connection with its review of the Merger, the Indiana Gaming Commission ("IGC") determined on July 16, 2020 that, as a condition to their approval of the Merger, we were initially required to divest three properties within the state of Indiana in order to avoid undue economic concentration. On October 27, 2020, the Company entered into an agreement to sell Evansville to GLPI and Bally's Corporation for $480 million in cash, subject to a customary working capital adjustment. The sale of Evansville closed on June 3, 2021. In addition, on December 24, 2020, the Company entered into an agreement to divest of Caesars Southern Indiana (see (f) below). On June 24, 2021, the IGC amended its order that previously required the Company to sell a third property and, as a result, we are not required to sell Horseshoe Hammond.

(c) On December 1, 2020, the Company entered into an agreement to sell the Baton Rouge to CQ Holding Company, Inc. Pursuant to the terms of the GLPI Master Lease, Baton Rouge will be removed from the GLPI Master Lease, and the rent payments to GLPI will remain unchanged. The transaction is expected to close in the fourth quarter of 2021 and is subject to regulatory approvals, and other customary closing conditions.

(d) These Former Caesars properties and William Hill's non-U.S. operations met held for sale criteria as of their acquisition dates. These properties are classified as discontinued operations as of September 30, 2021.

(e) On September 3, 2020, the Company and VICI entered into an agreement with Rubico Acquisition Corp. to sell Harrah's Louisiana Downs for $22 million, subject to a customary working capital adjustment, where the proceeds will be split between us and VICI. On November 1, 2021, the sale of Harrah's Louisiana Downs was completed.

(f) On December 24, 2020, the Company entered into an agreement to sell Caesars Southern Indiana to the Eastern Band of Cherokee Indians ("EBCI") for $250 million, subject to a customary working capital adjustment. Caesar's annual payments to VICI under the regional lease will decline by $33 million upon closing of the transaction. Additionally, effective as of the closing of the transaction, Caesars and EBCI entered into a long-term license agreement for the continued use of the Caesars brand and Caesars Rewards loyalty program at Caesars Southern Indiana. The sale of Caesars Southern Indiana closed on September 3, 2021.

(g) On June 10, 2021, the Company entered into an agreement with Metropolitan Gaming Limited to sell Caesars Entertainment UK, including the interest in Emerald Resort & Casino (together, "Caesars UK Group"), in which the buyer assumed all liabilities associated with the Caesars UK Group. The sale closed on July 16, 2021.

(h) On September 8, 2021, the Company entered into an agreement with 888 Holdings Plc. to sell William Hill International for £2.2 billion, subject to a customary working capital adjustment. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals, and is expected to close in the first quarter of 2022.

Merger and Acquisition Related Activities

Merger with Caesars Entertainment Corporation

On July 20, 2020, the Merger was consummated and Former Caesars became a wholly-owned subsidiary of ours. The strategic rationale for the Merger includes, but is not limited to, the following:

- Creation of the largest owner, operator and manager of domestic gaming assets
- Diversification of the Company's domestic footprint
- Access to iconic brands, rewards programs and new gaming opportunities expected to enhance customer experience
- Realization of significant identified synergies

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The total purchase consideration for Former Caesars was $10.9 billion. The estimated purchase consideration in the acquisition was determined with reference to its acquisition date fair value.

The Company recognized acquisition-related transaction costs in connection with the Merger of $6 million and $107 million for the three months ended September 30, 2021 and 2020, respectively, and recognized $21 million and $129 million during the nine months ended September 30, 2021 and 2020, respectively. These costs were associated with legal, IT costs, internal labor and professional services and were recorded in Transaction costs and other operating costs in our Statements of Operations.

William Hill Acquisition

On September 30, 2020, we announced that we had reached an agreement with William Hill PLC on the terms of a recommended cash acquisition pursuant to which we would acquire the entire issued and to be issued share capital (other than shares owned by us or held in treasury) of William Hill PLC, in an all-cash transaction. On April 20, 2021, a UK Court sanctioned the William Hill Acquisition and on April 22, 2021, the Company completed the acquisition for approximately £2.9 billion, or approximately $3.9 billion.

In connection with the William Hill Acquisition, on April 22, 2021, a newly formed subsidiary of the Company entered into a Credit Agreement (the “Bridge Credit Agreement”) with certain lenders party thereto and Deutsche Bank AG, London Branch, as administrative agent and collateral agent, pursuant to which the lenders party thereto provided the Debt Financing (as defined below). The Bridge Credit Agreement provides for (a) a 540-day £1.0 billion asset sale bridge facility, (b) a 60-day £503 million cash confirmation bridge facility and (c) a 540-day £116 million revolving credit facility (collectively, the “Debt Financing”). The proceeds of the bridge loan facilities provided under the Bridge Credit Agreement were used (i) to pay a portion of the cash consideration for the acquisition and (ii) to pay fees and expenses related to the acquisition and related transactions. The proceeds of the revolving credit facility under the Bridge Credit Agreement may be used for working capital and general corporate purposes. The £1.5 billion Interim Facilities Agreement (“Interim Facilities Agreement”) entered into on October 6, 2020 with Deutsche Bank AG, London Branch and JPMorgan Chase Bank, N.A., and amended on December 11, 2020, was terminated upon the execution of the Bridge Credit Agreement. On May 12, 2021, the Company repaid the £503 million cash confirmation bridge facility. On June 14, 2021, the Company drew down the full £116 million from the revolving credit facility and the proceeds, in addition to excess Company cash, were used to make a partial repayment of the asset sale bridge facility in the amount of £700 million. Outstanding borrowings under the Bridge Credit Agreement are expected to be repaid upon the sale of William Hill’s non-U.S. operations including the UK and international online divisions and the retail betting shops (collectively, “William Hill International”), all of which are held for sale and related activity is reflected within discontinued operations. Certain investments acquired will be excluded from the held for sale group.

On September 8, 2021, we entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. After repayment of the outstanding debt under the Bridge Credit Agreement, described above, and other working capital adjustments, the Company expects to receive approximately £835 million, or $1.2 billion. The sale is subject to satisfaction of customary conditions, including receipt of the approval of shareholders of 888 Holdings Plc and regulatory approvals, and is expected to close in the first quarter of 2022.

We recognized acquisition-related transaction costs of $5 million and $60 million for the three and nine months ended September 30, 2021, respectively, excluding additional transaction cost associated with sale of William Hill International. These costs were associated with legal and professional services and were recorded in Transaction costs and other operating costs in our Statements of Operations.

Consolidation of Baltimore

On August 26, 2021, we increased our ownership interest in CBAC Borrower, LLC (“Horseshoe Baltimore”), a property which we also manage, to approximately 75.8%. We were subsequently determined to have a controlling financial interest in Horseshoe Baltimore and we began to consolidate the results of operations of the property following our change in ownership. As a result of the increase in our ownership interest, our previously held investment was remeasured and we recognized a gain of $40 million during the nine months ended September 30, 2021. Management fees received prior to the consolidation event have been presented within our Managed and Branded segment. Following the increase in our ownership the operations of Horseshoe Baltimore are presented within our Regional segment.

Partnerships and Acquisition Opportunities

NeoGames

The acquired net assets of William Hill included an investment in NeoGames S.A. ("NeoGames"), a global leader of iLottery solutions and services to national and state-regulated lotteries, and other investments. On September 16, 2021, the Company sold a portion of its shares of NeoGames common stock for $136 million which decreased the Company's ownership interest from 24.5% to approximately 8.4%. As of September 30, 2021, the Company held approximately 2 million shares of NeoGames common stock with a fair value of $79 million. The shares have a readily determinable fair value and, accordingly, the Company remeasures the investment based on the publicly available share price (Level 1). For the three and nine months ended September 30, 2021, the Company recorded a loss of approximately $158 million and $35 million, respectively, which is included within Other income (loss) on the Statements of Operations.

The Stars Group/Flutter Entertainment

In November 2018, we entered into an agreement with The Stars Group Inc., which was subsequently acquired by Flutter Entertainment PLC ("Flutter") to provide options to obtain access to our second skin for online sports wagering and third skin for real money online gaming and poker with respect to our properties in the U.S. Under the terms of the agreement, we received common shares, as a revenue share from certain operations of Flutter under our licenses. As of December 31, 2020, the fair value of shares held was $10 million, and was included in Prepayments and other current assets on the Balance Sheets.

On July 7, 2021, the Company sold all remaining Flutter shares for $9 million. The Company recorded a realized loss of $1 million during the nine months ended September 30, 2021, and unrealized gains of $5 million and $8 million during the three and nine months ended September 30, 2020, respectively, which were included in Other income (loss) on the Statements of Operations.

Pompano Joint Venture

In April 2018, we entered into a joint venture with Cordish Companies ("Cordish") to plan and develop a mixed-use entertainment and hospitality destination expected to be located on unused land adjacent to the casino and racetrack at our Pompano property. As the managing member, Cordish will operate the business and manage the development, construction, financing, marketing, leasing, maintenance and day-to-day operation of the various phases of the project. Additionally, Cordish will be responsible for the development of the master plan for the project with our input and will submit it for our review and approval. In June 2021, the joint venture issued a capital call and we contributed $3 million. We have made cash contributions totaling $4 million and have contributed land. On February 12, 2021, we contributed 186 acres to the joint venture with a fair value of $61 million. Total contributions of approximately 206 acres of land have been made with a fair value of approximately $69 million and we have no further obligation to contribute additional real estate or cash as of September 30, 2021. We entered into a short-term lease agreement in February 2021, which we can cancel at any time, to lease back a portion of the land from the joint venture.

While we hold a 50% variable interest in the joint venture, we are not the primary beneficiary. As such the investment in the joint venture is accounted for using the equity method. We participate evenly with Cordish in the profits and losses of the joint venture, which are included in Transaction costs and other operating costs on the Statements of Operations. Our investment in the joint venture is recorded in Investment in and advances to unconsolidated affiliates on the Balance Sheets.

Reportable Segments

The following table sets forth certain information regarding our properties (listed by segment in which each property is reported) as of September 30, 2021:

Las Vegas	Regional		Managed and Branded
Bally's Las Vegas [(a)]	Eldorado Resort Casino Reno	Harrah's Atlantic City [(a)]	*Managed*
Caesars Palace Las Vegas [(a)]	Silver Legacy Resort Casino	Harrah's Laughlin [(a)]	Harrah's Ak-Chin [(a)]
The Cromwell [(a)]	Circus Circus Reno	Harrah's New Orleans [(a)]	Harrah's Cherokee [(a)]
Flamingo Las Vegas [(a)]	MontBleu Casino Resort & Spa [(c)]	Hoosier Park [(a)]	Harrah's Cherokee Valley River [(a)]
Harrah's Las Vegas [(a)]	Tropicana Laughlin Hotel & Casino	Indiana Grand [(a)]	Harrah's Resort Southern California [(a)]
The LINQ Hotel & Casino [(a)]	Isle Casino Hotel - Black Hawk	Caesars Atlantic City [(a)]	Caesars Windsor [(a)]
Paris Las Vegas [(a)]	Lady Luck Casino - Black Hawk	Harrah's Council Bluffs [(a)]	Caesars Dubai [(a)]
Planet Hollywood Resort & Casino [(a)]	Isle Casino Waterloo	Harrah's Gulf Coast [(a)]	
Rio All-Suite Hotel & Casino [(a)]	Isle Casino Bettendorf	Harrah's Joliet [(a)]	*Branded*
	Isle of Capri Casino Boonville	Harrah's Lake Tahoe [(a)]	Caesars Southern Indiana [(a)(e)]
Caesars Digital	Isle Casino Racing Pompano Park	Harrah's Louisiana Downs [(a)(b)]	Harrah's Northern California [(a)]
Caesars Digital	Isle of Capri Casino Hotel Lake Charles	Harrah's Metropolis [(a)]	
	Belle of Baton Rouge Casino & Hotel [(g)]	Harrah's North Kansas City [(a)]	
	Isle of Capri Casino Lula	Harrah's Philadelphia [(a)]	
	Trop Casino Greenville	Harveys Lake Tahoe [(a)]	
	Eldorado Gaming Scioto Downs	Horseshoe Baltimore [(a)(f)]	
	Tropicana Casino and Resort, Atlantic City	Horseshoe Bossier City [(a)]	
	Grand Victoria Casino	Horseshoe Council Bluffs [(a)]	
	Lumière Place Casino	Horseshoe Hammond [(a)]	
	Tropicana Evansville [(d)]	Horseshoe Tunica [(a)]	

(a) *These properties were acquired from the Merger on July 20, 2020.*

(b) *On September 3, 2020, the Company entered into an agreement to sell Harrah's Louisiana Downs, which met the requirements for presentation as discontinued operations as of September 30, 2021. On November 1, 2021, the sale of Harrah's Louisiana Downs was completed.*

(c) *In April 2020, the Company entered into an agreement to sell MontBleu. The sale of MontBleu closed on April 6, 2021.*

(d) *On October 27, 2020, the Company entered into an agreement to sell Evansville. The sale of Evansville closed on June 3, 2021.*

(e) *On December 24, 2020, the Company entered into an agreement to sell Caesars Southern Indiana. The sale of Caesars Southern Indiana closed on September 3, 2021. Additionally, the Company and Eastern Band of Cherokee Indians extended their existing relationship by entering into a long-term license agreement for the continued use of the Caesars brand and Caesars Rewards loyalty program at Caesars Southern Indiana.*

(f) *On August 26, 2021, the Company increased its ownership interest in Horseshoe Baltimore to approximately 75.8%. The Company was subsequently determined to have a controlling financial interest and began to consolidate operations of the property following the change in ownership. Management fees prior to the consolidation of Horseshoe Baltimore have been reflected in the Managed and Branded segment.*

(g) *On December 1, 2020, the Company entered into an agreement to sell Belle of Baton Rouge, which is expected to close in the fourth quarter of 2021.*

In addition to our properties listed above, international operations which have been sold, or we have agreements to sell, are classified as discontinued operations. The sale of Caesars UK Group closed on July 16, 2021, in which the buyer assumed all liabilities associated with the Caesars UK Group. On September 8, 2021, the Company entered into an agreement to sell William Hill International, which is expected to close in the first quarter of 2022.

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a "significant market" basis. Management views each of our casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. Prior to the William Hill Acquisition, our principal operating activities occurred in three regionally-focused reportable segments: Las Vegas, Regional, and Managed, International, CIE, in addition to Corporate and Other.

The William Hill Acquisition and rebranding of our interactive business (formerly, Caesars Interactive Entertainment "CIE" and now, inclusive of William Hill US, "Caesars Digital") expands our access to conduct sports wagering and real online money gaming operations. As a result, the Company has made a change to the composition of its reportable segments. The Las Vegas and Regional segments are substantially unchanged, while the former Managed, International and CIE reportable segment has been recast for all periods presented into two segments; Caesars Digital and Managed and International. Accordingly, our principal operating activities occur in four reportable segments: (1) Las Vegas, (2) Regional, (3) Caesars Digital, and (4) Managed and Branded, in addition to Corporate and Other. The reportable segments are based on the similar characteristics of the operating segments with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between these reportable segments within Caesars.

Presentation of Financial Information

The financial information included in this Item 2 for the periods after our acquisitions of Former Caesars on July 20, 2020, William Hill on April 22, 2021 and of the increase in our ownership percentage and subsequent consolidation of Horseshoe Baltimore on August 26, 2021, is not fully comparable to the periods prior to the acquisitions. In addition, the presentation of financial information herein for the periods after the Company's sales of various properties is not fully comparable to the periods prior to their respective sale dates. See "Reportable Segments" above for a discussion of changes to the Company's reportable segments.

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

Reclassifications

Certain reclassifications of prior year presentations have been made to conform to the current period presentation. In June 2021, the IGC amended its order that previously required the Company to sell a third casino asset in the state of Indiana. As a result, Caesars will not be required to sell Horseshoe Hammond and Horseshoe Hammond no longer meets the held for sale criteria. The assets and liabilities previously held for sale have been reclassified as held and used for all periods presented measured at the lower of the carrying amount, adjusted for depreciation and amortization that would have been recognized had the assets been continuously classified as held and used, and the fair value at the date of the amended ruling. Additionally, amounts previously presented in discontinued operations have been reclassified into continuing operations for all periods presented.

Key Performance Metrics

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

Key performance metrics include volume indicators such as drop or handle, which refer to amounts wagered by our customers. The amount of volume we retain, which is not fully controllable by us, is recognized as casino revenues and is referred to as our win or hold. Slot win percentage is typically in the range of approximately 9% to 10% of slot handle for both the Las Vegas and Regional segments. Table game hold percentage is typically in the range of approximately 14% to 23% of table game drop in the Las Vegas segment and 18% to 21% of table game drop in the Regional segment. Sports betting hold is typically in the range of 6% to 9% and iGaming hold typically ranges from 3% to 4%. In addition, hotel occupancy, which is the average percentage of available hotel rooms occupied during a period, is a key indicator for our hotel business in the Las Vegas segment. See "Results of Operations" section below. Complimentary rooms are treated as occupied rooms in our calculation of hotel occupancy. The key metrics we utilize to measure our profitability and performance are Adjusted EBITDA and Adjusted EBITDA margin.

Developments and Significant Factors Impacting Financial Results

The following summary highlights recent developments and significant factors impacting our financial results for the three and nine months ended September 30, 2021 and 2020.

- *COVID-19 Public Health Emergency* – In January 2020, an outbreak of a new strain of coronavirus ("COVID-19") was identified and has since spread throughout much of the world, including the U.S. All of our casino properties were temporarily closed for the period from mid-March 2020 through mid-May 2020 due to orders issued by various government agencies and tribal bodies as part of certain precautionary measures intended to help slow the spread of

COVID-19. As of September 30, 2021, we have resumed operations at all of our properties, to the extent permitted by regulations governing the applicable jurisdiction, with the exception of Isle of Capri Casino Hotel Lake Charles (“Lake Charles”), which was severely damaged by Hurricane Laura (as described below).

We continued to pay our full-time employees through April 10, 2020, including tips and tokens. Effective April 11, 2020, we furloughed approximately 90% of our employees, implemented salary reductions and committed to continue to provide benefits to our employees through their furloughed period. We have emphasized a focus on labor efficiencies as our workforce returns and operations resume in compliance with governmental or tribal orders, directives, and guidelines. Due to a triggering event resulting from the COVID-19 public health emergency, we recognized impairment charges of $116 million related to goodwill and trade names (described below) during the nine months ended September 30, 2020.

The COVID-19 public health emergency had a material adverse effect on the Company’s business, financial condition and results of operations for comparative periods in 2020, including the three and nine months ended September 30, 2020 which continued into the first quarter of 2021. As a result, the terms of our debt arrangements provide that the financial covenant measurement period is not effective through September 30, 2021, so long as we comply with a minimum liquidity requirement. The Company is subject to the financial covenant for quarters beginning after September 30, 2021. In addition, on March 19, 2021, the Company filed a lawsuit against its insurance carriers for losses attributed to the COVID-19 public health emergency. There can be no assurance as to the outcome of the litigation.

We have experienced positive operating trends thus far in 2021, with a continued focus on operational efficiencies which have resulted in net income, Adjusted EBITDA and Adjusted EBITDA margin exceeding pre-pandemic levels experienced in 2019 within our Las Vegas and Regional segments. However, certain revenue streams continue to be negatively impacted, including convention and entertainment revenues, and have yet to reach pre-pandemic levels as compared to 2019. The extent and duration of the negative impact of the COVID-19 public health emergency will ultimately depend on future developments, including but not limited to, the duration and severity of the outbreak or new variants, restrictions on operations imposed by governmental authorities, the potential for authorities reimposing stay at home orders, international and domestic travel restrictions or additional restrictions in response to continued developments with the COVID-19 public health emergency, our ability to adapt to evolving operating procedures and maintain adequate staffing in response to increased customer demand, the impact on consumer demand and discretionary spending, the efficacy and acceptance of vaccines, and our ability to adjust our cost structures for the duration of any such interruption of its operations

- *Caesars Acquisition* – The Merger closed on July 20, 2020. The Company recognized acquisition-related transaction costs in connection with the Merger of $6 million and $107 million for the three months ended September 30, 2021 and 2020, respectively, $21 million and $129 million during the nine months ended September 30, 2021 and 2020, respectively.

- *William Hill Acquisition* – On April 22, 2021, the Company consummated its previously announced acquisition of the entire issued and to be issued share capital (other than shares owned by the Company or held in treasury) of William Hill PLC, in an all-cash transaction of approximately £2.9 billion or approximately $3.9 billion. We recognized acquisition-related transaction costs of approximately $5 million and $60 million for the three and nine months ended September 30, 2021, respectively, excluding additional transaction cost associated with sale of William Hill International. See “Reportable Segments” above for a description of our revised segments following the acquisition.

- *Consolidation of Baltimore* – On August 26, 2021, the Company increased the ownership interest in CBAC Borrower, LLC, a property which we also manage, to approximately 75.8%. Caesars was subsequently determined to have a controlling financial interest and we began to consolidate the results of operations of the property following our change in ownership. As a result of the acquisition, the Company recognized a gain of $40 million during the nine months ended September 30, 2021.

- *Discontinued Operations* – Former Caesars properties, Harrah’s Louisiana Downs, Caesars Southern Indiana, and Caesars UK Group met held for sale criteria as of the date of the closing of the Merger. On July 16, 2021, the Company completed the sale of the Caesars UK Group, in which the buyer assumed all liabilities associated with the Caesars UK Group. On September 3, 2021, the Company completed the sale of Caesars Southern Indiana, subject to a customary working capital adjustment, resulting in a gain of approximately $12 million. Additionally, William Hill International met held for sale criteria as of the date of the closing of the William Hill Acquisition and is classified as discontinued operations. On September 8, 2021, the Company entered into an agreement with 888 Holdings Plc to sell

William Hill International for £2.2 billion. On November 1, 2021, the sale of Harrah's Louisiana Downs was completed.

- *Divestitures* – We have completed several divestitures including the sales of Kansas City, Vicksburg, Eldorado Shreveport, MontBleu, Evansville and discontinued operations of Harrah's Reno, Bally's Atlantic City, Caesars Southern Indiana and Caesars UK Group. The properties that have been sold as of September 30, 2021, are collectively referred to as "Divestitures." The results of operations of the divested entities, other than those identified as discontinued operations, are included in income from continuing operations for the periods prior to their respective closing dates.

- *Impairment Charges* – During 2020, the effects of the COVID-19 public health emergency resulted in changes to estimated future cash flows utilized to estimate fair value and we recognized impairment charges in our Regional segment related to goodwill and trade names totaling $100 million and $16 million, respectively, during the nine months ended September 30, 2020. In addition, as a result of entering the agreement to sell MontBleu in our Regional segment, impairment charges totaling $45 million were recorded during the nine months ended September 30, 2020 due to the carrying value exceeding the net sales proceeds.

- *Weather and Construction Disruption* – During the three months ended September 30, 2021, our Regional segment was negatively impacted by natural disasters including Hurricane Ida in Louisiana and Mississippi and wildfires in the Lake Tahoe area. Harrah's New Orleans, Harrah's Lake Tahoe and Harvey's Lake Tahoe all experienced temporary closures which lasted slightly more than one week. Additionally, in late August 2020, our Regional segment was negatively impacted by Hurricane Laura, causing severe damage to Lake Charles, which will remain closed until the second half of 2022 when construction of a new land-based casino is expected to be complete. During the nine months ended September 30, 2021, we received insurance proceeds of approximately $44 million related to damaged fixed assets and remediation costs. The Company also recorded a gain of approximately $22 million as proceeds received for the cost to replace damaged property were in excess of the respective carrying value of the assets.

- *Post-Merger Synergies* – We continue to identify operating and cost efficiencies, including savings from the purchasing power of the combined Caesars organization and targeted integrated marketing strategies, as well as the elimination of redundant costs such as accounting and professional expenses, certain payroll costs, and other corporate costs. As a result, we have seen margin improvements in our results of operations.

Results of Operations

The following table highlights the results of our operations:

(Dollars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net revenues:				
Las Vegas	$ 1,017	$ 304	$ 2,369	$ 304
Regional	1,492	1,055	4,173	1,632
Caesars Digital	96	39	221	58
Managed and Branded	79	41	206	41
Corporate and Other [(a)]	1	4	10	8
Total	$ 2,685	$ 1,443	$ 6,979	$ 2,043
Net loss	$ (231)	$ (925)	$ (583)	$ (1,201)
Adjusted EBITDA [(b)]:				
Las Vegas	$ 500	$ 43	$ 1,085	$ 43
Regional	554	350	1,549	449
Caesars Digital	(164)	11	(171)	20
Managed and Branded	22	12	69	12
Corporate and Other [(a)]	(42)	(41)	(123)	(59)
Total	$ 870	$ 375	$ 2,409	$ 465
Net loss margin	(8.6)%	(64.1)%	(8.4)%	(58.8)%
Adjusted EBITDA margin	32.4 %	26.0 %	34.5 %	22.8 %

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

[(b)] *See the "Supplemental Unaudited Presentation of Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")" discussion later in this MD&A for a definition of Adjusted EBITDA and a reconciliation of net income (loss) to Adjusted EBITDA.*

Consolidated comparison of the three and nine months ended September 30, 2021 and 2020

Net Revenues

Net revenues were as follows:

(Dollars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Variance	Percent Change	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Variance	Percent Change
Casino and pari-mutuel commissions	$ 1,510	$ 981	$ 529	53.9 %	$ 4,308	$ 1,422	$ 2,886	*
Food and beverage	347	127	220	173.2 %	797	190	607	*
Hotel	511	200	311	155.5 %	1,122	257	865	*
Other	317	135	182	134.8 %	752	174	578	*
Net Revenues	$ 2,685	$ 1,443	$ 1,242	86.1 %	$ 6,979	$ 2,043	$ 4,936	*

* *Not meaningful.*

Consolidated revenues increased for the three and nine months ended September 30, 2021 primarily due to recent acquisitions including the Merger on July 20, 2020, the William Hill Acquisition on April 22, 2021, and the consolidation of Horseshoe Baltimore on August 26, 2021, offset by the divestiture of certain properties discussed above. In addition, net revenues for the three and nine months ended September 30, 2020 were negatively impacted by the COVID-19 public health emergency. All of our properties were temporarily closed for the period from mid-March 2020 through mid-May 2020 and not all properties reopened as of September 30, 2020 due to orders issued by various government agencies and tribal bodies as part of certain precautionary measures intended to help slow the spread of COVID-19. Local and state regulations and the implementation of social distancing and health and safety protocols in response to COVID-19 resulted in reduced gaming capacity and hotel occupancy as well as limitations on the operation of food and beverage outlets, live entertainment events, and conventions. As of September 30, 2021, all of our properties have resumed certain operations, to the extent permitted, with the exception of Lake Charles which was severely damaged by Hurricane Laura.

Operating Expenses

Operating expenses were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Dollars in millions)	2021	2020	Variance	Percent Change	2021	2020	Variance	Percent Change
Casino and pari-mutuel commissions	$ 830	$ 493	$ 337	68.4 %	$ 2,111	$ 717	$ 1,394	194.4 %
Food and beverage	210	92	118	128.3 %	484	154	330	*
Hotel	130	63	67	106.3 %	317	91	226	*
Other	114	53	61	115.1 %	262	63	199	*
General and administrative	486	338	148	43.8 %	1,284	503	781	155.3 %
Corporate	86	90	(4)	(4.4)%	228	120	108	90.0 %
Impairment charges	—	—	—	*	—	161	(161)	(100.0)%
Depreciation and amortization	276	225	51	22.7 %	842	324	518	159.9 %
Transaction costs and other operating costs	21	220	(199)	(90.5)%	113	243	(130)	(53.5)%
Total operating expenses	$ 2,153	$ 1,574	$ 579	36.8 %	$ 5,641	$ 2,376	$ 3,265	137.4 %

* *Not meaningful.*

Casino and pari-mutuel commissions expense consists primarily of payroll and related costs associated with our gaming operations, marketing and promotions and gaming taxes. Food and beverage expense consists principally of salaries and wages and costs of goods sold associated with our food and beverage operations. Hotel expense consists principally of salaries, wages and supplies associated with our hotel operations. Other expenses consist principally of salaries and wages and costs of goods sold associated with our retail, entertainment and other operations.

Casino and pari-mutuel commissions, food and beverage, hotel, and other expenses for the three and nine months ended September 30, 2021 increased year over year as a result of recent acquisitions, including the Merger, the William Hill Acquisition, and the consolidation of Horseshoe Baltimore. In addition, the reopening of substantially all of our properties to the extent permitted by regulations governing the applicable jurisdiction and the partial return of our workforce contributed to the increased expenses noted. These increases have been offset as the Company continues to identify more efficient methods to manage marketing and promotional spend and reduce gaming expenses, as well as focus on labor efficiencies as described above. Additionally, the Company has managed recent increases in food costs and effectively improved margins by focusing on efficiencies within food and beverage venues and menu options.

General and administrative expenses include items such as information technology, facility maintenance, utilities, property and liability insurance, expenses for administrative departments such as accounting, compliance, purchasing, human resources, legal and internal audit, and property taxes. Property, general and administrative expenses also include other marketing expenses not directly related to our gaming and non-gaming operations.

General and administrative expenses for the three and nine months ended September 30, 2021 increased year over year as the result of the reopening of all of our properties to the extent permitted by regulations governing the applicable jurisdiction, the Merger, the William Hill Acquisition and the consolidation of Horseshoe Baltimore. These increases have been offset by a reduced cost structure implemented by the Company while our properties were temporarily closed due to the impact of the COVID-19 public health emergency. Additionally, synergies associated with the combined companies from the Merger have also resulted in reductions to certain administrative costs while focusing on labor efficiencies and opportunities to execute expense saving strategies.

Corporate expenses include unallocated expenses such as payroll, stock-based compensation, professional fees, and other various expenses not directly related to the Company's operations. For the three months ended September 30, 2021 compared to the same prior year period, corporate expense decreased primarily due to reductions to certain administrative and corporate payroll costs from synergies associated with the combined companies and the elimination of redundant expenses. For the nine months ended September 30, 2021 compared to the same prior year period, corporate expenses increased primarily due to the recent acquisitions including the Merger, the William Hill Acquisition and the consolidation of Horseshoe Baltimore. In addition, payroll costs, including employee bonuses, have increased as compared to the prior year period as property performance continues to improve.

As described above, we recorded impairment charges of $116 million due to the effects of the COVID-19 public health emergency during the nine months ended September 30, 2020. In addition, $45 million of additional impairment charges related to the sale of MontBleu were recorded during the nine months ended September 30, 2020.

For the three and nine months ended September 30, 2021 compared to the same prior year period, depreciation and amortization expense increased mainly due to the recent acquisitions, including the Merger, the William Hill Acquisition, and the consolidation of Horseshoe Baltimore.

For the three and nine months ended September 30, 2021 compared to the same prior year period, transaction costs and other operating costs decreased as the three and nine months ended September 30, 2020 included acquisition-related transaction costs in connection with the Merger. Offsetting these decreases are costs or fees incurred related to the William Hill Acquisition.

Other income (expenses)

Other income (expenses) were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Dollars in millions)	**2021**	**2020**	**Variance**	**Percent Change**	**2021**	**2020**	**Variance**	**Percent Change**
Interest expense, net	$ (579)	$ (485)	$ (94)	(19.4)%	$ (1,734)	$ (620)	$ (1,114)	(179.7)%
Loss on extinguishment of debt	(117)	(173)	56	32.4 %	(140)	(173)	33	19.1 %
Other income (loss)	(153)	9	(162)	*	(176)	(1)	(175)	*
Benefit (provision) for income taxes	90	(138)	228	165.2 %	167	(67)	234	*

* *Not meaningful.*

For the three and nine months ended September 30, 2021, interest expense, net increased year over year as a result of the Merger. Outstanding debt assumed, additional debt raised, and assumed financing obligations resulted in the increase in interest expense.

For the three months ended September 30, 2021, loss on extinguishment of debt was related to the early repayment and related discount of the CRC Notes and CEI Senior Notes in addition to the repricing of the CRC Incremental Term Loan. Additionally, for the nine months ended September 30, 2021, loss on extinguishment of debt was due to the early extinguishment of the 5% Convertible Notes and the related discount on the settlement date, which was June 29, 2021. The loss on extinguishment of debt for the three and nine months ended September 30, 2020 was due to the payment of outstanding debt as a result of the Merger.

For the three and nine months ended September 30, 2021, other loss increased year over year primarily due to a loss on the change in fair value of investments and a loss on the change in fair value of the derivative liability related to the 5% Convertible Notes.

The income tax benefit for the three months ended September 30, 2021 differed from the expected income tax expense based on the federal tax rate of 21% primarily due to the realization of capital losses previously not tax benefited due to the acquisition of William Hill. The income tax benefit for the nine months ended September 30, 2021 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to state taxes and the reclassification of Horseshoe Hammond from held for sale offset by nondeductible expense related to the convertible note conversion.

The income tax benefit for the three and nine months ended September 30, 2020 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to an increase in the valuation allowance against the deferred tax assets due to the series of transactions with VICI during the quarter.

Segment comparison of the three and nine months ended September 30, 2021 and 2020

Las Vegas Segment

(Dollars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Variance	Percent Change	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Variance	Percent Change
Revenues:								
Casino and pari-mutuel commissions	$ 329	$ 122	$ 207	169.7 %	$ 870	$ 122	$ 748	*
Food and beverage	221	52	169	*	476	52	424	*
Hotel	303	79	224	*	660	79	581	*
Other	164	51	113	*	363	51	312	*
Net Revenues	$ 1,017	$ 304	$ 713	*	$ 2,369	$ 304	$ 2,065	*
Table game drop	$ 805	$ 510	$ 295	57.8 %	$ 2,174	$ 510	$ 1,664	*
Table game hold %	22.6 %	15.6 %		7 pts	20.0 %	15.6 %		4.4 pts
Slot handle	$ 2,676	$ 1,700	$ 976	57.4 %	$ 7,261	$ 1,700	$ 5,561	*
Hotel occupancy	89.6 %	41.7 %		47.9 pts	80.3 %	41.7 %		38.6 pts
Adjusted EBITDA	$ 500	$ 43	$ 457	*	$ 1,085	$ 43	$ 1,042	*
Adjusted EBITDA margin	49.2 %	14.1 %		35.1 pts	45.8 %	14.1 %		31.7 pts
Net income (loss) attributable to Caesars	$ 272	$ (162)	$ 434	*	$ 389	$ (162)	$ 551	*

* *Not meaningful.*

Las Vegas segment's net revenues and Adjusted EBITDA increased as a result of the Merger and reopening of all properties in accordance with state and local regulations as of September 30, 2021. In June 2021, convention venues began to reopen with conventions held and future bookings received.

During the three and nine months ended September 30, 2021, all of our reopened properties in the Las Vegas segment experienced an increase in net revenues and Adjusted EBITDA compared to Former Caesars' prior year results for the same properties as all properties were temporarily closed during most of the same period in 2020. Slot win percentage in Las Vegas during both the three and nine months ended September 30, 2021 has been slightly higher than our typical range and hotel occupancy has been trending upward in recent quarters. Additionally, pent up demand has resulted in operations recovering at a faster rate than expected. These positive trends, however, may not be sustained due to the uncertainty of the current COVID-19 environment, including fluctuations in positive cases, new variants and the efficacy and acceptance of available vaccines.

Regional Segment

(Dollars in millions)	Three Months Ended September 30, 2021	2020	Variance	Percent Change	Nine Months Ended September 30, 2021	2020	Variance	Percent Change
Revenues:								
Casino and pari-mutuel commissions	$ 1,096	$ 825	$ 271	32.8 %	$ 3,241	$ 1,247	$ 1,994	159.9 %
Food and beverage	125	74	51	68.9 %	318	137	181	132.1 %
Hotel	208	121	87	71.9 %	462	178	284	159.6 %
Other	63	35	28	80.0 %	152	70	82	117.1 %
Net Revenues	$ 1,492	$ 1,055	$ 437	41.4 %	$ 4,173	$ 1,632	$ 2,541	155.7 %
Table game drop	$ 1,198	$ 1,112	$ 86	7.7 %	$ 3,315	$ 1,412	$ 1,903	134.8 %
Table game hold %	20.7 %	20.7 %		(0) pts	20.8 %	20.6 %		0.2 pts
Slot handle	$ 11,921	$ 11,034	$ 887	8.0 %	$ 34,053	$ 15,335	$ 18,718	122.1 %
Adjusted EBITDA	$ 554	$ 350	$ 204	58.3 %	$ 1,549	$ 449	$ 1,100	*
Adjusted EBITDA margin	37.1 %	33.2 %		3.9 pts	37.1 %	27.5 %		9.6 pts
Net income (loss) attributable to Caesars	$ 239	$ 45	$ 194	*	$ 555	$ (186)	$ 741	*

* *Not meaningful.*

Regional segment's net revenues, Adjusted EBITDA and margin increased for the three and nine months ended September 30, 2021 compared to the same prior year period as a result of the Merger and the consolidation of Horseshoe Baltimore. The increase was slightly offset by closures of certain properties due to Hurricane Ida and the Caldor fire. As of September 30, 2021, all of our properties in our Regional segment have reopened, with the exception of Lake Charles due to the weather disruption described above. Slot win percentage in the Regional segment during both the three and nine months ended September 30, 2021 has been within our typical range. Additionally, pent up demand has resulted in operations recovering at a faster rate than expected. These positive trends, however, may not be sustained due to the uncertainty of the current COVID-19 environment, including fluctuations in positive cases, new variants and the efficacy and acceptance of available vaccines.

In our Regional segment, net revenues, Adjusted EBITDA and Adjusted EBITDA margin increased compared to the prior year across all properties, including Former Caesars', due to reductions in workforce and marketing costs, synergies from the purchasing power of the combined Caesars organization, and limitations on certain lower margin food and beverage offerings.

Caesars Digital Segment

(Dollars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Variance	Percent Change	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Variance	Percent Change
Revenues:								
Casino and pari-mutuel commissions	$ 85	$ 34	$ 51	150.0 %	$ 197	$ 53	$ 144	*
Other	11	5	6	120.0 %	24	5	19	*
Net Revenues	$ 96	$ 39	$ 57	146.2 %	$ 221	$ 58	$ 163	*
Sports betting handle [(a)]	$ 1,528	$ 14	$ 1,514	*	$ 2,442	$ 14	$ 2,428	*
iGaming handle	$ 1,467	$ 962	$ 505	52.5 %	$ 3,754	$ 1,649	$ 2,105	127.7 %
Adjusted EBITDA	$ (164)	$ 11	$ (175)	*	$ (171)	$ 20	$ (191)	*
Adjusted EBITDA margin	(170.8)%	28.2 %		*	(77.4)%	34.5 %		*
Net income (loss) attributable to Caesars	$ (190)	$ 11	$ (201)	*	$ (220)	$ 20	$ (240)	*

* *Not meaningful.*

(a) *Caesars Digital generated an additional $196 million and $325 million of sports betting handle, which is not included in this table for the three and nine months ended September 30, 2021, respectively, for select wholly-owned and third-party operations for which Caesars Digital provides services and we receive all. or a share of, the net profits. Sports betting handle includes $14 million and $26 million for the three and nine months ended September 30, 2021, respectively, related to horse racing and pari-mutuel wagers.*

Caesars Digital is a newly developed segment which includes Caesars operations for retail and mobile sports betting, online casino, and online poker. It is comprised of the Caesars interactive business acquired in the Merger, operations acquired in the William Hill Acquisition and historical iGaming at Tropicana Atlantic City. Caesars Digital's sports betting handle, iGaming handle, and net revenues increased significantly for the three and nine months ended September 30, 2021 compared to the same prior year period due to the acquisitions and the recent marketing launch of our new sportsbook applications in nine states. However, net revenues for the three and nine months ended September 30, 2021 were negatively impacted by a sports betting hold percentage that was below our typical range. The low hold percentage was driven in part by increased odds and profit boosts, which are promotional enhancements that improve odds or wager payouts for customers. In addition, our hold percentage was negatively impacted by competitive pricing strategies and lower than typical hold in certain betting markets. iGaming hold percentage for the three and nine months ended September 30, 2021 was within our typical range.

In connection with the launch of our Caesars branded sportsbook and iGaming applications, we expect to continue to deploy a significant level of marketing spend to build brand awareness and acquire and retain customers. As sports betting and online casinos continue to expand through increased state legalization and customer adoption, growth in marketing and promotional costs in highly competitive markets have negatively impacted Caesars Digital EBITDA and EBITDA margins in comparison to prior periods.

Managed and Branded Segment

(Dollars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Variance	Percent Change	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Variance	Percent Change
Revenues:								
Food and beverage	$ 1	$ 1	$ —	— %	$ 3	$ 1	$ 2	200.0 %
Other	78	40	38	95.0 %	203	40	163	*
Net Revenues	$ 79	$ 41	$ 38	92.7 %	$ 206	$ 41	$ 165	*
Adjusted EBITDA	$ 22	$ 12	$ 10	83.3 %	$ 69	$ 12	$ 57	*
Adjusted EBITDA margin	27.8 %	29.3 %		(1.5) pts	33.5 %	29.3 %		4.2 pts
Net income (loss) attributable to Caesars	$ 38	$ (3)	$ 41	*	$ 40	$ (3)	$ 43	*

* *Not meaningful.*

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

llars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Variance	Percent Change	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Variance	Percent Change
imbursable management revenue	$ 57	$ 25	$ 32	128.0 %	$ 137	$ 25	$ 112	*
imbursable management cost	57	25	32	128.0 %	137	25	112	*

* *Not meaningful.*

Managed and Branded segment's net revenues and Adjusted EBITDA increased as a result of the Merger. Upon the consolidation of Horseshoe Baltimore, the property was moved from the Managed and Branded segment to the Regional segment above. All of our managed and branded properties have reopened as of September 30, 2021.

For the three and nine months ended September 30, 2021, net revenues and Adjusted EBITDA for Managed and Branded increased as compared to Former Caesars' prior period.

Corporate & Other

(Dollars in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Variance	Percent Change	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Variance	Percent Change
Revenues:								
Other	$ 1	$ 4	$ (3)	(75.0)%	$ 10	$ 8	$ 2	25.0 %
Net Revenues	$ 1	$ 4	$ (3)	(75.0)%	$ 10	$ 8	$ 2	25.0 %
Adjusted EBITDA	$ (42)	$ (41)	$ (1)	(2.4)%	$ (123)	$ (59)	$ (64)	(108.5)%

Supplemental Unaudited Presentation of Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") for the Three and Nine Months Ended September 30, 2021 and 2020

Adjusted EBITDA (described below), a non-GAAP financial measure, has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry and we believe that this non-GAAP supplemental information will be helpful in understanding our ongoing operating results. Management has historically used Adjusted EBITDA when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results. Adjusted EBITDA represents net income (loss) before interest income or interest expense, net of interest capitalized, (benefit) provision for income taxes, unrealized (gain) loss on investments and marketable securities, depreciation and amortization, stock-based compensation, impairment charges, transaction expenses, severance expense, selling costs associated with the divestitures of properties, equity in income (loss) of unconsolidated affiliates, (gain) loss on the sale or disposal of property and equipment, (gain) loss related to divestitures, changes in the fair value of certain derivatives and certain non-recurring expenses such as sign-on and retention bonuses, business optimization expenses and transformation expenses, certain litigation awards and settlements, losses on inventory associated with properties temporarily closed as a result of the COVID-19 public health emergency, contract exit or termination costs, and certain regulatory settlements. Adjusted EBITDA also excludes the expense associated with certain of our leases as these transactions were accounted for as financing obligations and the associated expense is included in interest expense. Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP. It is unaudited and should not be considered an alternative to, or more meaningful than, net income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in Adjusted EBITDA include capital expenditures, interest payments, income taxes, debt principal repayments, payments under our leases with affiliates of GLPI and VICI Properties, Inc. and certain regulatory gaming assessments, which can be significant. As a result, Adjusted EBITDA should not be considered as a measure of our liquidity. Other companies that provide EBITDA information may calculate Adjusted EBITDA differently than we do. The definition of Adjusted EBITDA may not be the same as the definitions used in any of our debt agreements.

The following table summarizes our Adjusted EBITDA for the three and nine months ended September 30, 2021 and 2020, respectively, in addition to reconciling net income (loss) to Adjusted EBITDA in accordance with GAAP (unaudited):

	Three Months Ended September 30, 2021			
(In millions)	CEI	Pre-Cons. Baltimore [d]	Less: Divest. Add: Disc. Ops [e][f]	Total [g]
Net loss attributable to Caesars	$ (233)	$ (38)	$ (7)	$ (278)
Net income attributable to noncontrolling interests	2	—	—	2
Discontinued operations, net of income taxes	4	—	9	13
(Benefit) provision for income taxes	(90)	—	1	(89)
Other loss [a]	153	40	—	193
Loss on extinguishment of debt	117	—	—	117
Interest expense, net	579	2	—	581
Depreciation and amortization	276	3	—	279
Transaction costs and other operating costs [b]	21	2	—	23
Stock-based compensation expense	21	—	—	21
Other items [c]	20	—	—	20
Adjusted EBITDA	$ 870	$ 9	$ 3	$ 882

	Three Months Ended September 30, 2020					
(In millions)	CEI	Pre-Cons. Baltimore [d]	Pre-Acq. WH US [h]	Pre-Acq. CEC [i]	Less: Divest. Add: Disc. Ops [e][f]	Total [j]
Net income (loss) attributable to Caesars	$ (926)	$ 1	$ 1	$ (173)	$ 67	$ (1,030)
Net income (loss) attributable to noncontrolling interests	1	—	—	(62)	62	1
Discontinued operations, net of income taxes	7	—	—	—	(5)	2
(Benefit) provision for income taxes	138	—	(4)	(51)	(6)	77
Other (income) loss [a]	(9)	—	(2)	67	(6)	50
Loss on extinguishment of debt	173	—	—	—	—	173
Interest expense, net	485	4	—	72	(11)	550
Depreciation and amortization	225	4	6	53	(5)	283
Impairment charges	—	—	—	124	(124)	—
Transaction costs and other operating costs [b]	220	1	1	22	—	244
Stock-based compensation expense	45	—	—	3	—	48
Other items [c]	16	—	(1)	19	1	35
Adjusted EBITDA	$ 375	$ 10	$ 1	$ 74	$ (27)	$ 433

(In millions)	Nine Months Ended September 30, 2021 CEI	Pre-Cons. Baltimore [d]	Pre-Acq. WH US [h]	Less: Divest. Add: Disc. Ops [e][f]	Total [g]
Net income (loss) attributable to Caesars	$ (585)	$ (32)	$ (33)	$ 2	$ (648)
Net income attributable to noncontrolling interests	2	—	—	—	2
Discontinued operations, net of income taxes	38	—	—	(23)	15
(Benefit) provision for income taxes	(167)	—	(2)	3	(166)
Other (income) loss [a]	176	40	(2)	—	214
Loss on extinguishment of debt	140	—	—	—	140
Interest expense, net	1,734	9	—	—	1,743
Depreciation and amortization	842	10	8	—	860
Transaction costs and other operating costs [b]	113	6	27	—	146
Stock-based compensation expense	64	—	—	—	64
Other items [c]	52	—	2	—	54
Adjusted EBITDA	$ 2,409	$ 33	$ —	$ (18)	$ 2,424

(In millions)	Nine Months Ended September 30, 2020 CEI	Pre-Cons. Baltimore [d]	Pre-Acq. WH US [h]	Pre-Acq. CEC [i]	Less: Divest. Add: Disc. Ops [e][f]	Total [j]
Net income (loss) attributable to Caesars	$ (1,202)	$ (11)	$ (17)	$ (1,059)	$ 260	$ (2,029)
Net income (loss) attributable to noncontrolling interests	1	—	—	(67)	63	(3)
Discontinued operations, net of income taxes	7	—	—	—	(5)	2
(Benefit) provision for income taxes	67	—	(17)	(224)	2	(172)
Other (income) loss [a]	1	(10)	(3)	(45)	(19)	(76)
Loss on extinguishment of debt	173	—	—	—	—	173
Interest expense, net	620	12	—	750	(67)	1,315
Depreciation and amortization	324	12	15	559	(42)	868
Impairment charges	161	—	—	189	(203)	147
Transaction costs and other operating costs [b]	243	1	24	71	(6)	333
Stock-based compensation expense	55	—	—	26	—	81
Other items [c]	15	—	—	54	(1)	68
Adjusted EBITDA	$ 465	$ 4	$ 2	$ 254	$ (18)	$ 707

(a) *Other (income) loss for the three and nine months ended September 30, 2021 primarily represents a loss on the change in fair value of investments held by the Company and a loss on the change in fair value of the derivative liability related to the 5% Convertible Notes. Other (income) loss for the three and nine months ended September 30, 2020 primarily represents unrealized loss on the change in fair value of the derivative liability related to the 5% Convertible Notes, slightly offset by gains on investments held by the Company and realized gains on conversion of the 5% Convertible Notes.*

(b) *Transaction costs and other operating costs for the three and nine months ended September 30, 2021 and 2020 primarily represent costs related to the William Hill Acquisition and the Merger, various contract or license termination exit costs, professional services, other acquisition costs and severance costs.*

(c) *Other items primarily represent certain consulting and legal fees, rent for non-operating assets, relocation expenses, retention bonuses, and business optimization expenses.*

(d) *Represents results of operations for Horseshoe Baltimore for periods prior to the consolidation resulting from the Company's increase in its ownership interest on August 26, 2021, excluding amounts associated with our management of the property which eliminate on consolidation. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and do not conform to GAAP.*

(e) *Discontinued operations include Harrah's Louisiana Downs. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and do not conform to GAAP.*

(f) *Divestitures for the three and nine months ended September 30, 2021 include results of operations for MontBleu and Evansville, and discontinued operations of Caesars Southern Indiana and Caesars UK Group. For the three and nine months ended September 30, 2020 include results of operations for Kansas City, Vicksburg, Eldorado Shreveport, MontBleu, Evansville and discontinued operations of the Korea JV, Harrah's Reno, Bally's Atlantic City, Caesars Southern Indiana and Caesars UK Group. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and do not conform to GAAP.*

(g) *Excludes results of operations from divestitures as detailed in (f) and includes results of operations of Horseshoe Baltimore for periods prior to the consolidation, William Hill US prior to the acquisition and from discontinued operations for the periods presented. Such presentation does not conform to GAAP or the Securities and Exchange Commission rules for pro forma presentation; however, we believe that the additional financial information will be helpful to investors in comparing current results with results of prior periods. This is non-GAAP data and should not be considered a substitute for data prepared in accordance with GAAP, but should be viewed in addition to the results of operations reported by the Company.*

(h) *Pre-acquisition William Hill represents results of operations for William Hill prior to the acquisition. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and, for the 2021 and 2020 periods, do not conform to GAAP.*

(i) *Pre-acquisition CEC represents results of operations for Former Caesars prior to the Merger. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and, for the 2020 periods, do not conform to GAAP.*

(j) *Excludes results of operations from divestitures as detailed in (f) and includes results of operations of Horseshoe Baltimore for periods prior to the consolidation, William Hill US prior to the acquisition and of Former Caesars prior to the Merger, including discontinued operations, for the relevant period. Such presentation does not conform to GAAP or the Securities and Exchange Commission rules for pro forma presentation; however, we believe that the additional financial information will be helpful to investors in comparing current results with results of prior periods. This is non-GAAP data and should not be considered a substitute for data prepared in accordance with GAAP, but should be viewed in addition to our reported results of operations.*

Liquidity and Capital Resources

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

As of September 30, 2021, our cash on hand and revolving borrowing capacity was as follows:

(In millions)		September 30, 2021
Cash and cash equivalents	$	1,072
Revolver capacity [(a)]		2,220
Revolver capacity committed to letters of credit		(92)
Available revolver capacity committed as regulatory requirement		(48)
Total	$	3,152

(a) *Revolver capacity includes $1.2 billion under our CEI Revolving Credit Facility, due July 2025, $1.0 billion under our CRC Revolving Credit Facility, due December 2022 and $10 million under our Baltimore Revolving Credit Facility, due July 2022.*

During the nine months ended September 30, 2021, our operating activities generated operating cash inflows of $974 million, as compared to operating cash outflows of $203 million during the nine months ended September 30, 2020 due to the results of operations described above. In addition, we continue to improved our financial position and reduce our operating costs related to our debt through accelerated repayments, amendments to existing debt agreements and obtaining favorable rates on new borrowings.

On September 21, 2021, CRC entered into a second amendment related to the CRC Incremental Term Loan to reduce the interest rate margins to 3.50% per annum in the case of any London Inter-bank Offered Rate ("LIBOR") loan or 2.50% per annum in the case of any base rate loan. The CRC Incremental Term Loan is a LIBOR based loan of which the amendment lowers our annual interest cost by reducing the applicable margin by 100 basis points from 4.50% to 3.50%.

On September 24, 2021, the Company repaid $889 million in aggregate principal amount of the $1.7 billion aggregate principal amount of 5.25% senior notes due 2025 (the "CRC Notes"). The Company recognized a total of $106 million of loss on extinguishment of debt. The remaining $811 million in aggregate principal amount of the CRC Notes was redeemed on October 15, 2021 and the Company recognized and additional loss on extinguishment of debt of approximately $93 million. The Company classified the cash used to repay the remaining aggregate principal balance as long-term restricted cash in Other assets, net as of September 30, 2021.

During the quarter ended September 30, 2021, the Company purchased $76 million of aggregate principal amount of the $1.8 billion 8.125% Senior Notes due 2027 (the "CEI Senior Notes") and recognized $10 million of loss on extinguishment of debt. The Company purchased an additional $24 million in aggregate principal amount of the CEI Senior Notes subsequent to September 30, 2021. In October 2021, we cancelled a total of $100 million of aggregate principal, which we purchased.

On September 24, 2021, the Company issued $1.2 billion in aggregate principal amount of 4.625% Senior Notes due 2029 (the "Senior Notes") pursuant to an indenture dated as of September 24, 2021 between the Company and U.S. Bank National

Association, as Trustee. The proceeds, in addition to cash on hand, were used to repay the outstanding CRC Notes, as described above. The Senior Secured Notes will mature on October 15, 2029 with interest paid on April 15 and October 15 of each year, commencing April 15, 2022.

In connection with the increase of our interest, Horseshoe Baltimore's outstanding indebtedness of $284 million in the aggregate principal amount of a senior secured term loan facility (the "Baltimore Term Loan") and amounts outstanding, if any, under Horseshoe Baltimore's senior secured revolving credit facility (the "Baltimore Revolving Credit Facility") have been consolidated in the Company's financial statements. The Baltimore Term Loan matures in 2024 and is subject to a variable rate of interest calculated as LIBOR plus 4.00%. The Baltimore Revolving Credit Facility has borrowing capacity of up to $10 million and matures in 2022, subject to a variable rate of interest calculated as LIBOR plus 6.00%. As of September 30, 2021, there was $10 million of available borrowing capacity under the Baltimore Revolving Credit Facility.

On September 30, 2020, the Company announced that it had reached an agreement with William Hill PLC on the terms of a recommended cash acquisition pursuant to which the Company would acquire the entire issued and to be issued share capital (other than shares owned by the Company or held in treasury) of William Hill PLC, in an all-cash transaction. On April 20, 2021, a UK Court sanctioned the proposed acquisition and on April 22, 2021, the Company completed the William Hill Acquisition for £2.9 billion, or approximately $3.9 billion.

In connection with the William Hill Acquisition, on April 22, 2021, a newly formed subsidiary of the Company (the "Bridge Facility Borrower") entered into a Credit Agreement (the "Bridge Credit Agreement") with certain lenders party thereto and Deutsche Bank AG, London Branch, as administrative agent and collateral agent, pursuant to which the lenders party thereto provided the debt financing. The Bridge Credit Agreement provides for (a) a 540-day £1.0 billion asset sale bridge facility, (b) a 60-day £503 million cash confirmation bridge facility and (c) a 540-day £116 million revolving credit facility. The proceeds of the bridge loan facilities provided under the Bridge Credit Agreement were used (i) to pay a portion of the cash consideration for the acquisition and (ii) to pay fees and expenses related to the acquisition and related transactions. The proceeds of the revolving credit facility under the Bridge Credit Agreement may be used for working capital and general corporate purposes. The Interim Facilities Agreement entered into on October 6, 2020, and amended on December 11, 2020, was terminated upon the execution of the Bridge Credit Agreement. On May 12, 2021, we repaid the £503 million cash confirmation bridge facility. On June 14, 2021, the Company borrowed the full £116 million available under the revolving credit facility and the funds, in addition to excess Company cash, were used to make a partial repayment of the asset sale bridge facility in the amount of £700 million. In addition, $1.1 billion of debt, at book value which approximates fair value, is held for sale related to two trust deeds assumed in the William Hill Acquisition. One trust deed relates to £350 million aggregate principal amount of 4.750% Senior Notes due 2026, and the other trust deed relates to £350 million aggregate principal amount of 4.875% Senior Notes due 2023. Each of the trust deeds contain a put option due to the change in control which allowed noteholders to require the Company to purchase the notes at 101% of the principal amount thereof together with interest accrued. The put period expired on July 26, 2021, and approximately £1 million of debt was repurchased. Outstanding borrowings under the Bridge Credit Agreement are expected to be repaid upon the sale of William Hill International, all of which are held for sale and related activity is reflected within discontinued operations. On September 8, 2021, the Company entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. After repayment of the outstanding debt under the Bridge Credit Agreement, described above, and other working capital adjustments, the Company expects to receive approximately £835 million, or $1.2 billion. The sale is subject to satisfaction of customary conditions, including receipt of the approval of shareholders of 888 Holdings Plc and regulatory approvals, and is expected to close in the first quarter of 2022.

We expect that our primary capital requirements going forward will relate to the operation and maintenance of our properties, taxes, servicing our outstanding indebtedness, and rent payments under our GLPI Master Lease, the VICI leases and other leases. We make capital expenditures and perform continuing refurbishment and maintenance at our properties to maintain our quality standards. Our capital expenditure requirements for the remainder of 2021 and for 2022 are expected to increase compared to prior periods as a result of the additional properties acquired in the Merger, the William Hill Acquisition and new development projects including the ongoing launch of our Caesars branded sportsbook and iGaming applications in our Caesars Digital segment. In addition, we may, from time to time, seek to repurchase our outstanding indebtedness. Any such purchases may be funded by existing cash balances or the incurrence of debt. The amount and timing of any repurchase will be based on business and market conditions, capital availability, compliance with debt covenants and other considerations.

In 2020, we funded $400 million to escrow as of the closing of the Merger and have begun to utilize those funds in accordance with a three year capital expenditure plan in the state of New Jersey. This amount is currently included in restricted cash in Other assets, net. As of September 30, 2021, our restricted cash balance in the escrow account was $328 million for future capital expenditures in New Jersey.

As a condition of the extension of the casino operating contract and ground lease for Harrah's New Orleans, we are also required to make a capital investment of $325 million in Harrah's New Orleans by July 15, 2024. In connection with the capital investment in Harrah's New Orleans, we expect to rebrand the property as Caesars New Orleans.

On August 27, 2020, Hurricane Laura made landfall on Lake Charles as a Category 4 storm. The hurricane severely damaged Lake Charles and the Company has begun to receive insurance proceeds related to, in part, estimated damages and repairs that have been incurred to the property. A portion of the proceeds received is expected to be utilized for the construction of a new land-based casino which is expected to be completed in the second half of 2022.

Cash spent for capital expenditures totaled $313 million and $95 million for the nine months ended September 30, 2021 and 2020, respectively. The following table summarizes our capital expenditures for the nine months ended September 30, 2021, and an estimated range of capital expenditures for the remainder of 2021:

	Nine Months Ended September 30, 2021	Estimate of Remaining Capital Expenditures for 2021	
(In millions)	**Actual**	**Low**	**High**
Atlantic City	$ 74	$ 65	$ 85
Indiana racing operations	15	5	10
Total estimated capital expenditures from restricted cash	89	70	95
Lake Charles	33	15	20
New Orleans	19	25	35
Caesars Digital	43	25	35
Other growth and maintenance projects	129	100	125
Total estimated capital expenditures from unrestricted cash and insurance proceeds	224	165	215
Total	$ 313	$ 235	$ 310

A significant portion of our liquidity needs are for debt service and payments associated with our leases. Our estimated debt service (including principal and interest) is approximately $108 million for the remainder of 2021, excluding elective debt repayments such as the early extinguishment of the remaining CRC Notes. We also lease certain real property assets from third parties, including VICI and GLPI. We estimate our lease payments to VICI and GLPI to be approximately $290 million for the remainder of 2021.

On June 21, 2021, the Company delivered a notice of mandatory conversion to the trustee of the 5% Convertible Notes to convert all outstanding notes on June 24, 2021. All outstanding notes, at the election of either the Company or the holder, were subject to conversion into approximately 0.014 shares of the Company's Common Stock ("Company Common Stock") and approximately $1.17 of cash per $1.00 principal amount of the 5% Convertible Notes. During the nine months ended September 30, 2021, the Company converted the remaining outstanding aggregate principal amount of the 5% Convertible Notes, which resulted in cash payments of $367 million, net of amounts paid into our trust accounts and the issuance of approximately 5 million shares of Company Common Stock.

The Company periodically divests assets that it does not consider core to its business to raise capital or, in some cases, to comply with conditions, terms, obligations or restrictions imposed by antitrust, gaming and other regulatory entities. In June 2021, the IGC amended its order that previously required the Company to sell a third casino asset in the state of Indiana. As a result, Caesars will not be required to sell Horseshoe Hammond. We have divested of several international properties including an interest in a Korea joint venture and the Caesars UK Group, which includes Emerald Resort & Casino. The sale of the Caesars UK Group closed on July 16, 2021, and the buyer assumed all liabilities associated with the Caesars UK Group. We also expect to divest of William Hill International in the first quarter of 2022, as described above.

On April 6, 2021, the Company consummated the sale of the equity interests of MontBleu for $15 million, subject to a customary working capital adjustment, resulting in a gain of less than $1 million. The purchase price is due no later than the first anniversary of the closing of the sale.

On September 3, 2020, the Company and VICI entered into an agreement to sell Harrah's Louisiana Downs with Rubico Acquisition Corp. for $22 million, subject to a customary working capital adjustment, where the proceeds will be split between the Company and VICI. On November 1, 2021, the sale of Harrah's Louisiana Downs was completed. The annual base rent payments under the Regional Master Lease between Caesars and VICI will remain unchanged.

On June 3, 2021, the Company consummated the sale of the real property and equity interests of Evansville to GLPI and Bally's Corporation, respectively, for $480 million in cash, subject to a customary working capital adjustment, resulting in a gain of approximately $12 million.

On December 1, 2020, the Company entered into a definitive agreement with CQ Holding Company, Inc. to sell the equity interests of Baton Rouge. The definitive agreement provides that the consummation of the sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals, and is expected to close in the fourth quarter of 2021.

On December 24, 2020, the Company entered into an agreement to sell the equity interests of Caesars Southern Indiana to the EBCI for $250 million, subject to a customary working capital adjustment. On September 3, 2021, the Company completed the sale of Caesars Southern Indiana and recorded a gain of approximately $12 million. In connection with this transaction, Company's annual base rent payments to VICI Properties under the Regional Master Lease were reduced by $33 million.

If the agreed upon selling price for future divestitures does not exceed the carrying value of the assets, we may be required to record additional impairment charges in future periods which may be material.

We expect that our current liquidity, cash flows from operations, availability of borrowings under committed credit facilities and proceeds from the announced asset sales will be sufficient to fund our operations, capital requirements and service our outstanding indebtedness for the next twelve months. However, we cannot be certain that the COVID-19 public health emergency will not adversely affect our business, financial condition and results of operations or cause disruption in the financial markets that could adversely affect ability to access additional capital.

Debt and Master Lease Covenant Compliance

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

The CRC Revolving Credit Facility and CEI Revolving Credit Facility include a maximum first-priority net senior secured leverage ratio financial covenant of 6.35:1, which is applicable solely to the extent that certain testing conditions are satisfied. The Baltimore Revolving Credit Facility includes a senior secured leverage ratio financial covenant of 5.0:1. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document. The Company is subject to the financial covenants for quarters beginning after September 30, 2021.

The GLPI Master Lease and VICI leases contain certain operating, capital expenditure and financial covenants, including minimum capital improvement expenditures and a rent coverage ratio.

Liabilities held for sale include $612 million of debt related to the asset sale bridge facility and the revolving credit facility. The Bridge Credit Agreement includes a financial covenant requiring the Bridge Facility Borrower to comply with a maximum total net leverage ratio of 10.50 to 1.00 beginning the fiscal quarter ending on September 30, 2021. The borrowings under the Bridge Credit Agreement are guaranteed by the Bridge Facility Borrower and the Bridge Facility Borrower's material wholly-owned subsidiaries (subject to exceptions), and are secured by a pledge of substantially all of the existing and future property and assets of the Bridge Facility Borrower and the guarantors (subject to exceptions). No financial covenants are related to the $1.1 billion of debt from the two trust deeds assumed in the William Hill Acquisition.

As of September 30, 2021, we were in compliance with all of the applicable financial covenants described above.

Share Repurchase Program

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

As of September 30, 2021, we have acquired 223,823 shares of common stock under the program at an aggregate value of $9 million and an average of $40.80 per share. No shares were repurchased during the nine months ended September 30, 2021 and 2020.

Contractual Obligations

The Company assumed various long-term debt arrangements, financing obligations and leases, previously described, associated with Former Caesars as result of the consummation of the Merger, William Hill related to the William Hill Acquisition. We also consolidate additional debt related to Horseshoe Baltimore. See Note 2 for a description of the Merger, the William Hill Acquisition and the consolidation of Horseshoe Baltimore. See Note 8 for additional contractual obligations. There have been no other material changes during the nine months ended September 30, 2021 to our contractual obligations as disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020.

Other Liquidity Matters

We are faced with certain contingencies involving litigation and environmental remediation and compliance. These commitments and contingencies are discussed in "Part II, Item 1. Legal Proceedings" and Note 8 to our unaudited consolidated condensed financial statements, both of which are included elsewhere in this report. In addition, new competition may have a material adverse effect on our revenues, and could have a similar adverse effect on our liquidity. See "Part I, Item 1A. Risk Factors—Risks Related to Our Business" which is included in our Annual Report on Form 10-K for the year ended December 31, 2020.

Critical Accounting Policies

Our critical accounting policies disclosures are included in our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no material changes since December 31, 2020. We have not substantively changed the application of our policies and there have been no material changes in assumptions or estimation techniques used as compared to those described in our Annual Report on Form 10-K for the year ended December 31, 2020.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

As of September 30, 2021, long-term variable-rate borrowings totaled $6.6 billion under the CRC term loans and the Baltimore term loan and no amounts were outstanding under the CEI Revolving Credit Facility, CRC Revolving Credit Facility and Baltimore Revolving Credit Facility. Long-term variable-rate borrowings under the CRC term loans and the Baltimore term loan represented approximately 43% of consolidated long-term debt as of September 30, 2021. We have entered into seven interest rate swap agreements to fix the interest rate on $2.3 billion of variable rate debt, and $4.3 billion of debt remains subject to variable interest rates for the term of the agreements. During the nine months ended September 30, 2021, the weighted average interest rates on our variable and fixed rate debt were 3.09% and 6.30%, respectively.

The London Inter-bank Offered Rate ("LIBOR") is expected to be discontinued after 2021. The interest rate per annum applicable to loans under our credit facilities is, at our option, either LIBOR plus a margin or a base rate plus a margin. We intend to continue monitoring the developments with respect to the potential phasing out of LIBOR after 2021 and work with our lenders to ensure any transition away from LIBOR will have minimal impact on our financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

The Company has entered into several foreign exchange forward contracts with third parties to hedge the risk of fluctuations in the foreign exchange rates between USD and GBP and to fix the exchange rate for a portion of the funds used in the William Hill Acquisition, repayment of related debt and expected proceeds of the sale of William Hill International. On April 23, 2021, the Company entered into a foreign exchange forward contract to purchase £237 million at a contracted exchange rate, which was settled on June 11, 2021. Similarly, the Company has entered into foreign exchange forward contracts to sell £717 million at a contracted exchange rate. The forward term of the contracts ends on December 31, 2021 and March 31, 2022. We may elect to enter into additional such agreements as we continue to mitigate our exposure to changes in foreign currency exchange rates.

We evaluate our exposure to market risk by monitoring interest rates in the marketplace and have, on occasion, utilized derivative financial instruments to help manage this risk. We do not utilize derivative financial instruments for trading purposes. There were no other material quantitative changes in our market risk exposure, or how such risks are managed, for the nine months ended September 30, 2021.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

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

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

(b) Changes in Internal Controls

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

On April 22, 2021, we completed the acquisition of William Hill PLC. See Item 1, Notes to Consolidated Condensed Financial Statements, Note 2, "Acquisitions and Purchase Price Accounting" for discussion of the acquisition and related financial data. The Company is in the process of integrating William Hill PLC into our internal controls over financial reporting. As a result of these integration activities, certain controls will be evaluated and may be changed.

Excluding the William Hill Acquisition, there were no changes in our internal controls over financial reporting during the three months ended September 30, 2021 that have materially affected, or are reasonable likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of our "Legal Proceedings," refer to Note 8 to our consolidated condensed financial statements located elsewhere in this Quarterly Report on Form 10-Q and Note 11 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2020.

Cautionary Statements Regarding Forward-Looking Information

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

- the impact of the COVID-19 public health emergency on our business and financial condition;
- projections of future results of operations or financial condition;
- our ability to consummate the disposition of certain of our properties, including the planned sale of William Hill's non-U.S. operations;
- expectations regarding our business and results of operations of our existing casino properties and prospects for future development;
- expectations regarding trends that will affect our market and the gaming industry generally and the impact of those trends on our business and results of operations;
- our ability to comply with the covenants in the agreements governing our outstanding indebtedness and leases;
- our ability to meet our projected debt service obligations, operating expenses, and maintenance capital expenditures;
- expectations regarding availability of capital resources;
- our intention to pursue development opportunities, including the development of a mixed-use entertainment and hospitality destination expected to be located on unused land adjacent to the Pompano casino and racetrack, and additional acquisitions and divestitures;
- our ability to realize the anticipated benefits of the Merger, William Hill Acquisition and future development and acquisition opportunities;
- the impact of regulation on our business and our ability to receive and maintain necessary approvals for our existing properties and future projects and operation of online sportsbook, poker and gaming; and
- factors impacting our ability to successfully operate our digital betting and iGaming platform and expand its user base.

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

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

You should also be aware that while we from time to time communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

Item 1A. Risk Factors

A description of our risk factors can be found in "Part I, Item 1A. Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no material changes to those risk factors during the nine months ended September 30, 2021, except for the following additional risk factors related to the William Hill Acquisition and the operation of our digital business.

Our digital betting and gaming operations are especially reliant on information technology and other systems and services, and any failures, errors, defects or disruptions in our systems or services could adversely affect our operations.

Our technology infrastructure is critical to the performance of our digital betting and gaming operations and to user satisfaction. We devote significant resources to our technology infrastructure, but our systems may not be adequate to avoid performance delays or outages that could be harmful to our online business. In addition, we cannot assure you that the measures we take to prevent cyber-attacks and protect our systems, data and user information and to prevent outages, data or information loss, fraud and to prevent or detect security breaches will be sufficient to ensure uninterrupted operation of our digital platform and provide absolute security. William Hill has in the past experienced, and we may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Disruptions from unauthorized access to, fraudulent manipulation of, or tampering with our computer systems and technological infrastructure, or those of third parties that provide support to our operations, could result in a wide range of negative outcomes, each of which could materially adversely affect the operation of our online business and our financial condition, results of operations and prospects.

Additionally, our online betting and gaming offerings may contain errors, bugs, flaws or corrupted data, and these defects may only become apparent after their launch. These types of issues could disrupt our operations or render a product unavailable when users attempt to access it or cause access to our offerings to be slower than our users expect. Inaccessibility or slow access to our products could make users less likely to return to our digital platform as often, if at all, or to recommend our offerings to other potential users, which could harm our brand perception, cause our users to stop utilizing our online offerings, divert our resources and delay market acceptance of our online offerings.

We expect that we will continue to expand our online betting and gaming offerings as our user base grows and we enter into new markets, which will require an enhancement of our technical infrastructure, including network capacity and computing power, to support the growth of our digital business and to satisfy our users' needs. Such infrastructure expansion may be complex and costly, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of our offerings. In addition, there may be issues related to our online infrastructure that are not identified during the testing phases of design and implementation and become evident after we have started to fully use the underlying equipment or software, which could impact the user experience or increase our costs. An inability to effectively scale our technical infrastructure to accommodate increased demands could adversely impact our ability to grow our digital betting and gaming business.

Our online business is dependent on the Internet and we rely on Amazon Web Services and other third-party technology, platforms and services to deliver our offerings to users.

A substantial portion of the infrastructure that is required to enable users to access our digital betting and gaming offerings is provided by third parties, including Internet service providers and other technology-based service providers. In particular, we currently host our online betting and gaming offerings and support our operations using Amazon Web Services ("AWS") and other third-party technology, platforms and services. Our third-party providers may experience service interruptions, delays, outages or damage, including due to capacity constraints, an event causing an unusually high volume of Internet use (such as a pandemic or public health emergency), infrastructure changes or upgrades (such as 5G or 6G services), human or software errors, website hosting disruptions, natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. We exercise little control over our third-party providers and any difficulties that these providers experience, including the potential of certain network traffic receiving priority over other traffic (i.e., lack of net neutrality), may adversely affect our business. Because our ability to provide our users with continuing and uninterrupted access to our platform is critical to the success of our digital business, we use our best efforts to ensure that our facilities and infrastructure and the facilities and infrastructure of our third-party providers support our current and expected operations and are designed to mitigate the impacts of system malfunctions. Nevertheless, there can be no guarantee that such systems will be able to meet the demand of our current and future digital business, the overall online betting and gaming industry and the growth of the Internet. Furthermore, if we do not maintain business relationships with our third-party providers, and in particular, AWS, we may not be able to secure required third-party services on terms that are acceptable to us or on an acceptable time frame. Any of these risks could result in a loss of revenue and cause us to incur unexpected costs that could be significant, which could have a material adverse effect on our online business, financial condition, results of operations and prospects.

We rely on third parties to provide services that are essential to the operation of our online betting and gaming business, including geolocation and identity verification, payment processing and sports data.

We rely on third parties to provide services that are essential to the operation of our online betting and gaming business, including geolocation and identity verification systems to ensure we comply with laws and regulations, processing deposits and withdrawals made by our online users and providing information regarding schedules, results, performance and outcomes of sporting events to determine when and how bets are settled. The software, systems and services provided by our third-party providers may not meet our expectations, contain errors or weaknesses, be compromised or experience outages. A failure of such third-party systems to perform effectively, or any service interruption to those systems, could adversely affect our business by preventing users from accessing our online platform, delaying payment or resulting in errors in settling bets, which could give rise to regulatory issues relating to the operation of our business. By way of example, incorrect or misleading geolocation and identity verification data with respect to current or potential users received from third-party service providers may result in us inadvertently allowing access to our offerings to individuals who are not permitted to access them or otherwise inadvertently denying access to individuals who are permitted to access them, and errors or failures by our payment processors and sports data providers could result in a failure in timely and accurately process payments to and from users or errors in settling bets. Any such errors or failures could result in violations of applicable regulatory requirements and adversely affect our reputation and our ability to attract and retain our online users. Furthermore, negative publicity related to any of our third-party partners could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure.

In addition, if any of our third-party services providers terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would have to find alternate service providers. We cannot be certain that we would be able to secure favorable terms from alternative service providers that are critical to the operation of our business or enter into alternative arrangements in a timely manner. Our digital business, results of operations and prospects would be adversely impacted by our inability or delay in securing replacement services that are sufficient to support our online business or on comparable terms.

Our growth will depend, in part, on the success of our strategic relationships with third parties.

We rely on relationships with sports leagues and teams, professional athletes and athlete organizations, advertisers and other third parties in order to attract users to our offerings. In 2019 we entered into an exclusive sports entertainment partnership with the NFL, making us the first ever "Official Casino Sponsor" in the history of the league, in 2020, we partnered with ESPN to integrate their digital platforms with our sportsbooks and in 2021 we made a strategic investment in SuperDraft, Inc., a daily fantasy sports platform. These relationships, along with providers of online services, search engines, social media, directories and other websites and e-commerce businesses direct consumers to our offerings. While we believe there are other third parties that could drive users to our online offerings, adding or transitioning to them may disrupt our business and increase our costs, and may require us to modify, limit or discontinue certain offerings. Furthermore, sports leagues, teams and venues may enter into exclusive partnerships with our competitors which could adversely affect our ability to offer certain types of wagers. In the event that any of our existing relationships or our future relationships fail to provide services to us in accordance with the terms of our arrangement, or at all, and we are not able to find suitable alternatives, this could impact our ability to cost effectively attract consumers and harm our online betting and gaming business, financial condition, results of operations and prospects.

The growth of our digital business will require investments in our online offerings, technology and strategic marketing initiatives, which could be costly and negatively impact the economics of our online business.

The online betting and gaming industry is subject to rapid and frequent changes in standards, technologies, products and service offerings, as well as in customer demands and preferences and regulations, which will require us to continually introduce and successfully implement new and innovative technologies, marketing strategies, product offerings and enhancements to remain competitive and effectively stimulate customer demand, acceptance and engagement. The process of developing new online offerings and systems is inherently complex and uncertain, and new offerings may not be well received by users, even if they are well-reviewed and of high quality. Developing new offerings and marketing strategies can also divert our management's attention from other business issues and opportunities. New online offerings that attain market acceptance and aggressive marketing strategies implemented in the competitive online market environment could impact the mix of our existing business, including our casino business, or the share of our patron's wallets in a manner that could negatively impact our results of operations. In addition, online betting and gaming operates in a competitive environment that requires significant investment in marketing initiatives, including free play and use of a variety of free and paid marketing channels, including television, radio, social media platforms, such as Facebook, Instagram and Twitter, and other digital channels. We cannot be sure that our investments in technology, products, service offerings and marketing initiatives will be successful or generate the return on investment that we expect. If new or existing competitors offer more attractive offerings or engage in marketing initiatives that are better received by customers, we may lose users or users may decrease their spending on our offerings. Further, new customer demands, superior competitive offerings, new industry standards or changes in the regulatory environment could render our offerings unattractive, unmarketable or obsolete and require us to make substantial unanticipated changes to our technology or business model. Failure to adapt to a rapidly changing market or evolving customer demands, and costs required to be incurred to react to dynamic market conditions, could harm our business, financial condition, results of operations and prospects.

The growth of our online betting and gaming business will depend on expansion of online betting and gaming into new jurisdictions and our ability to obtain required licenses.

Our ability to achieve growth in our online betting and gaming business will depend, in large part, upon expansion of online betting and gaming into new jurisdictions, the terms of regulations relating to online betting and gaming and our ability to obtain required licenses. Following the 2018 decision of the U.S. Supreme Court to overturn the federal ban on sports betting, a number of jurisdictions have legalized sports betting and online gaming and we expect that additional jurisdictions may do so in the future. Our ability to further expand our sports betting and online operations is dependent on the adoption of regulations permitting such activities. However, the expansion of betting and online gaming in new jurisdictions is dependent on a number of factors that are beyond our control and there can be no assurances of when, or if, such regulations will be adopted or the terms of such regulations, including restrictions, tax rates and license fees and availability of such licenses to casino owners exclusively or at all.

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

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

Our technology contains third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our offerings.

Our technology contains software modules licensed to us by third-party authors under "open source" licenses. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our technology.

Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software.

In addition, time to time there have been claims challenging the ownership of open source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software or be required to seek costly licenses from third parties to continue providing our products on terms that are not economically feasible, to re-engineer our technology, to discontinue or delay the provision of our offerings, any of which could adversely affect our business, financial condition, results of operations and prospects.

Participation in the sports betting industry exposes us to trading, liability management and pricing risks. We may experience lower than expected profitability and potentially significant losses as a result of a failure to accurately determine odds.

Our fixed-odds betting products involve betting where winnings are paid on the basis of the amounts wagered and the odds quoted. Odds are determined with the objective of providing an average return to the bookmaker over a large number of events. However, there can be significant variation in gross win percentage event-by-event and day-by-day. We have systems and controls that seek to reduce the risk of daily losses occurring on a gross-win basis, but there can be no assurance that these will be effective in reducing our exposure to this risk. As a result we may experience (and we have from time to time experienced) significant losses with respect to individual events or betting outcomes, in particular if large individual bets are placed on an event or betting outcome or series of events or betting outcomes. Any significant losses on a gross-win basis could have a material adverse effect on our business, financial condition and results of operations.

In addition, the odds that we offer in our sportsbook operations may occasionally contain an obvious error. Examples of such errors are inverted lines between teams, or odds that are significantly different from the true odds of the outcome in a way that all reasonable persons would agree is an error. If regulatory restrictions do not permit us to void or re-setting odds to correct odds on bets associated with large obvious errors in odds making, we could be subject to covering significant liabilities.

We rely on licenses to use the intellectual property rights of third parties which are incorporated into our products and services. Failure to renew or expand existing licenses may require us to modify, limit or discontinue certain offerings.

We rely on products, technologies and intellectual property that we license from third parties, for use in our business-to-business and business-to-consumers offerings. Certain of our offerings and services use intellectual property licensed from third parties and we expect that our future products will require the use of third-party intellectual property. The future success of our business may depend, in part, on our ability to obtain, retain and/or expand licenses for popular technologies and games in a competitive market. We cannot assure that third-party licenses that may be necessary or desirable for the operation of our products, or support for such licensed products and technologies, will be available to us on commercially reasonable terms, if at all. If we are unable to renew and/or expand existing licenses or obtain new licenses, including as a result of reluctance of third parties to subject themselves to regulatory review that may be required to operate as our supplier, we may be required to discontinue or limit our use of the products that include or incorporate the licensed intellectual property, which could adversely impact our business, results of operations and prospects.

We cannot be sure that we will be able to dispose of the William Hill non-US operations on terms and conditions that are satisfactory to us or at all.

We previously announced our intention to sell the William Hill non-U.S. operations, which have been classified in our financial statements as assets held for sale, and to apply the proceeds of such sale to repay amounts outstanding under the Bridge Credit Agreement. We cannot be certain that we will be able to enter into agreements to sell such assets and operations on terms that are satisfactory to us, or at all.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Method of Filing
3.1	Composite Certificate of Incorporation of Caesars Entertainment, Inc.	Previously filed on Form 10-Q filed on August 4, 2021.
3.2	Certificate of Amendment of Certificate of Incorporation of the Company.	Previously filed on Form 8-K filed on June 18, 2021.
3.3	Bylaws of Caesars Entertainment, Inc.	Previously filed on Form 8-K filed on July 21, 2020.
4.1	Indenture dated as of September 24, 2021, by and between Caesars Entertainment., the guarantors party thereto and U.S. Bank National Association.	Previously filed on Form 8-K filed on September 27, 2021.
4.2	Second Supplemental Indenture, dated as of August 6, 2021, among Caesars Entertainment, Inc., CRC Finco, Inc., Caesars Resort Collection, LLC and U.S. Bank National Association, as trustee and collateral agent.	Previously filed on Form 8-K filed on August 10, 2021.
4.3	Fourth Supplemental Indenture, dated as of August 6, 2021, among Caesars Inc., CRC Finco, Inc. Caesars Resort Collection, LLC and Deutsche Bank Trust Company Americas, as trustee.	Previously filed on Form 8-K filed on August 10, 2021.
10.1	Second Amendment to Credit Agreement, dated September 21, 2021.	Previously filed on Form 8-K filed on September 27, 2021.
10.2	Fifth Amendment to Lease (Las Vegas) dated as of September 3, 2021, by and among CPLV Property Owner LLC, Claudine Propco LLC, Desert Palace LLC and CEOC, LLC.	Filed herewith.
10.3	Fifth Amendment to Lease (Joliet), dated as of September 3, 2021, by and between Harrah’s Joliet Landco LLC and Des Plaines Development Limited Partnership.	Filed herewith.
10.4	Eighth Amendment to Lease (Regional), dated as of September 3, 2021, by and among the entities listed on Schedule A and B thereto.	Filed herewith.
10.5	Guarantee Agreement, dated as of August 6, 2021, by Caesars Entertainment, Inc. in favor of U.S. Bank National Association, as collateral agent.	Previously filed on Form 8-K filed on August 10, 2021.
31.1	Certification of Thomas R. Reeg pursuant to Rule 13a-14a and Rule 15d-14(a)	Filed herewith.
31.2	Certification of Bret Yunker pursuant to Rule 13a-14a and Rule 15d-14(a)	Filed herewith.
32.1	Certification of Thomas R. Reeg in accordance with 18 U.S.C. Section 1350	Filed herewith.
32.2	Certification of Bret Yunker in accordance with 18 U.S.C. Section 1350	Filed herewith.
99.1	Financial Information of Caesars Resort Collection, LLC	Filed herewith.
101.1	Inline XBRL Instance Document	Filed herewith.
101.2	Inline XBRL Taxonomy Extension Schema Document	Filed herewith.
101.3	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.4	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.5	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.6	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith.

SIGNATURES

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

	CAESARS ENTERTAINMENT, INC.
Date: November 4, 2021	/s/ Thomas R. Reeg
	Thomas R. Reeg *Chief Executive Officer (Principal Executive Officer)*
Date: November 4, 2021	/s/ Bret Yunker
	Bret Yunker *Chief Financial Officer (Principal Financial Officer)*

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FIFTH AMENDMENT TO LEASE

This **FIFTH AMENDMENT TO LEASE** (this "Amendment") is entered into as of September 3, 2021, by and among **CPLV PROPERTY OWNER LLC** and **CLAUDINE PROPCO LLC**, each a Delaware limited liability company (collectively, and together with their respective successors and assigns, "Landlord"), **DESERT PALACE LLC**, a Nevada limited liability company, **CEOC, LLC**, a Delaware limited liability company (for itself and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and **HARRAH'S LAS VEGAS, LLC,** a Nevada limited liability company (collectively, and together with their respective successors and assigns, "Tenant") and, solely for the purposes of the last paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("Propco TRS").

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the last paragraph of Section 1.1 of the Lease, Propco TRS are parties to that certain Lease (CPLV), dated as of October 6, 2017, as amended by that certain First Amendment to Lease (CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, as amended by that certain Second Amendment to Lease (CPLV), dated as of July 20, 2020, as amended by that certain Third Amendment to Lease, dated as of September 30, 2020, as amended by that certain Amended and Restated Omnibus Amendment to Leases, dated as of October 27, 2020, and as amended by that certain Fourth Amendment to Lease, dated as of November 18, 2020 (collectively, as amended, the "Lease"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, CEOC, LLC and Roman Holding Company of Indiana LLC, collectively as sellers (collectively, "Sellers"), and EBCI MezzCo LLC, as purchaser, are closing a purchase and sale transaction under that certain Equity Purchase Agreement, dated as of December 24, 2020, with respect to Sellers' aggregate one hundred percent (100%) equity interest in Caesars Riverboat Casino, LLC, which entity operates the gaming and entertainment facility known as Caesars Southern Indiana (formerly known as Horseshoe Southern Indiana), located in Elizabeth, Indiana (and, together with Roman Holding Company of Indiana LLC, leases such facility pursuant to the terms of the "Regional Lease" (as defined in the Lease)) (the "Southern Indiana Transaction"); and

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

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

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

2. **Amendments to the Lease**.

a. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of "Triennial Minimum Cap Ex Amount B" is hereby revised and modified to replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)".

b. Partial Periods.

i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)" and (b) replace the reference therein to "One Hundred Thirty-Five Million Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars ($135,066,666.67)" with a reference to "One Hundred Twenty-Eight Million One Hundred Thousand and No/100 Dollars ($128,100,000.00)" and

ii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)" and (b) replace the reference therein to "One Hundred Thirty-Five Million Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars ($135,066,666.67)" with a reference to "One Hundred Twenty-Eight Million One Hundred Thousand and No/100 Dollars ($128,100,000.00)".

3. **No Other Modification or Amendment to the Lease**. The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the "**Lease**" shall be deemed to refer to the Lease as amended by this Amendment.

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

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

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

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

[Signature Page Follows]

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

LANDLORD:

CPLV PROPERTY OWNER LLC,
a Delaware limited liability company

By:________
Name: David Kieske
Title: Treasurer

CLAUDINE PROPCO LLC,
a Delaware limited liability company

By:________
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

DESERT PALACE LLC,
a Nevada limited liability company

By:___________
Name:___________
Title:___________

CEOC, LLC,
a Delaware limited liability company

By:___________
Name:___________
Title:___________

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company

By:___________
Name:___________
Title:___________

[Signatures Continue on Following Pages]

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

PROPCO TRS LLC,
a Delaware limited liability company

By:________
Name: David Kieske
Title: Treasurer

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Fifth Amendment to Lease (the "Amendment"; capitalized terms used herein without definition having the meanings set forth in the Amendment), dated as of September 3, 2021, by and among CPLV Property Owner LLC and Claudine Propco LLC, each a Delaware limited liability company, collectively as Landlord, Desert Palace LLC, a Nevada limited liability company, CEOC, LLC, a Delaware limited liability company (for itself and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and Harrah's Las Vegas, LLC, a Nevada limited liability company, collectively as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 3, 2021.

CAESARS ENTERTAINMENT, INC.

By:__________
Name:__________
Title:__________

FIFTH AMENDMENT TO LEASE

This **FIFTH AMENDMENT TO LEASE** (this "Amendment") is entered into as of September 3, 2021, by and among **HARRAH'S JOLIET LANDCO LLC**, a Delaware limited liability company (together with its successors and assigns, "Landlord"), **DES PLAINES DEVELOPMENT LIMITED PARTNERSHIP**, a Delaware limited partnership (together with its successors and assigns, "Tenant") and, solely for the purposes of the last paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("Propco TRS").

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the last paragraph of Section 1.1 of the Lease, Propco TRS are parties to that certain Lease (Joliet), dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Joliet), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, as amended by that certain Second Amendment to Lease (Joliet), dated as of July 20, 2020, as amended by that certain Third Amendment to Lease, dated as of September 30, 2020, as amended by that certain Amended and Restated Omnibus Amendment to Leases, dated as of October 27, 2020, and as amended by that certain Fourth Amendment to Lease, dated as of November 18, 2020 (collectively, as amended, the "Lease"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on December 28, 2020, Bluegrass Downs Property Owner LLC conveyed to McCracken County, Kentucky certain real property interests associated with the former gaming and entertainment facility known as Bluegrass Downs located in Paducah, Kentucky, which facility was (prior to such conveyance) subject to the "Regional Lease" (as defined in the Lease) (the "Bluegrass Downs Transaction"), and the Bluegrass Downs Leased Property (as defined in the amendment to the Regional Lease being entered into concurrently with this Amendment in connection with the Bluegrass Downs Transaction and the LAD Transaction (as defined below)) was severed from the Regional Lease as of such date;

WHEREAS, on the date hereof, CEOC, LLC and Roman Holding Company of Indiana LLC, collectively as sellers (collectively, "Sellers"), and EBCI MezzCo LLC, as purchaser, are closing a purchase and sale transaction under that certain Equity Purchase Agreement, dated as of December 24, 2020, with respect to Sellers' aggregate one hundred percent (100%) equity interest in Caesars Riverboat Casino, LLC, which entity operates the gaming and entertainment facility known as Caesars Southern Indiana (formerly known as Horseshoe Southern Indiana), located in Elizabeth, Indiana (and, together with Roman Holding Company of Indiana LLC, leases such facility pursuant to the terms of the "Regional Lease" (as defined in the Lease)) (the "Southern Indiana Transaction"); and

WHEREAS, in connection with the Bluegrass Downs Transaction and the Southern Indiana Transaction, the parties hereto desire to amend the Lease as set forth herein.

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

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

2. **Amendments to the Lease.**

a. Annual Minimum Cap Ex Amount. Article II of the Lease is hereby amended such that the definition of "Annual Minimum Cap Ex Amount" is hereby revised and modified to replace the reference therein to "One Hundred Fourteen Million Five Hundred Thousand and No/100 Dollars ($114,500,000.00)" with a reference to "One Hundred Eight Million Six Hundred Thousand and No/100 Dollars ($108,600,000.00)".

b. Annual Minimum Per-Lease B&I Cap Ex Requirement. Landlord and Tenant hereby acknowledge, for the avoidance of doubt, that the Net Revenue attributable to the Southern Indiana Facility (as defined in the amendment to the Regional Lease being entered into concurrently with this Amendment in connection with the Bluegrass Downs Transaction and the Southern Indiana Transaction) for the 2020 Fiscal Year and the 2021 Fiscal Year shall not be included for purposes of calculating the Capital Expenditures required under Section 10.5(a)(ii) of the Lease.

c. Triennial Allocated Minimum Cap Ex Amount B Floor. Article II of the Lease is hereby amended such that the definition of "Triennial Allocated Minimum Cap Ex Amount B Floor" is hereby revised and modified to replace the reference therein to "Three Hundred Eleven Million and No/100 Dollars ($311,000,000.00)" with a reference to "Two Hundred Ninety Million and No/100 Dollars ($290,000,000.00)".

d. Triennial Minimum Cap Ex Amount A. Article II of the Lease is hereby amended such that the definition of "Triennial Minimum Cap Ex Amount A" is hereby revised and modified to replace the reference therein to "Five Hundred Sixty-Six Million Seven Hundred Thousand and No/100 Dollars ($566,700,000.00)" with a reference to "Five Hundred Thirty-Seven Million Five Hundred Thousand and No/100 Dollars ($537,500,000.00)".

e. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of "Triennial Minimum Cap Ex Amount B" is hereby revised and modified to replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)".

f. Partial Periods.

i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to "Five Hundred Sixty-Six Million Seven Hundred

Thousand and No/100 Dollars ($566,700,000.00)" with a reference to "Five Hundred Thirty-Seven Million Five Hundred Thousand and No/100 Dollars ($537,500,000.00)" and (b) replace the reference therein to "One Hundred Eighty-Eight Million Nine Hundred Thousand and No/100 Dollars ($188,900,000.00)" with a reference to "One Hundred Seventy-Nine Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Seven and No/100 Dollars ($179,166,667.00)",

ii. Section 10.5(a)(v)(c) of the Lease is hereby amended to (a) replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)" and (b) replace the reference therein to "One Hundred Thirty-Five Million Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars ($135,066,666.67)" with a reference to "One Hundred Twenty-Eight Million One Hundred Thousand and No/100 Dollars ($128,100,000.00)", and

iii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to "Five Hundred Sixty-Six Million Seven Hundred Thousand and No/100 Dollars ($566,700,000.00)" with a reference to "Five Hundred Thirty-Seven Million Five Hundred Thousand and No/100 Dollars ($537,500,000.00)", (b) replace the reference therein to "One Hundred Eighty-Eight Million Nine Hundred Thousand and No/100 Dollars ($188,900,000.00)" with a reference to "One Hundred Seventy-Nine Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Seven and No/100 Dollars ($179,166,667.00)", (c) replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)" and (d) replace the reference therein to "One Hundred Thirty-Five Million Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars ($135,066,666.67)" with a reference to "One Hundred Twenty-Eight Million One Hundred Thousand and No/100 Dollars ($128,100,000.00)".

g. Regional Lease Section 22.2(vii) Transfer.

i. Landlord and Tenant hereby acknowledge and agree that the Southern Indiana Transaction shall be deemed to be, and treated as, a transfer of a Regional Facility by Regional Tenant in accordance with Section 22.2(vii) of the Regional Lease (including, without limitation, for purposes of any determinations under clause (6) of Section 22.2(vii) of the Lease), irrespective of whether or not Section 22.2(vii) or Section 22.9 of the Regional Lease is applicable to the Southern Indiana Transaction. For the avoidance of doubt, after giving effect to the Southern Indiana Transaction, the percentage of the 2018 EBITDAR Pool that remains available for application to any and all subsequent transfers pursuant to Section 22.2(vii) of the Lease shall not exceed 18.4% in the aggregate.

ii. The amount of the 2018 EBITDAR Pool shall not be reduced as a result of the Southern Indiana Facility no longer being a Regional Facility under the Regional Lease, and, without limitation, Schedule 7 to the Lease (setting forth the 2018 Facility EBITDAR of Tenant and Regional Tenant) shall not be modified as a result of the Southern Indiana Transaction.

iii. The treatment of the Southern Indiana Transaction hereunder is not intended to serve as a precedent for the treatment of future dispositions (if any) which may be effectuated under any applicable provision of the Regional Lease.

h. Bluegrass Downs Transaction.

i. The amount of the 2018 EBITDAR Pool shall not be reduced as a result of the Bluegrass Downs Facility (as defined in the amendment to the Regional Lease being entered into concurrently with this Amendment in connection with the Bluegrass Downs Transaction and the Southern Indiana Transaction) no longer being a Regional Facility under the Regional Lease, and the removal of the Bluegrass Downs Facility from the Regional Lease shall not constitute a L1 Transfer or a L2 Transfer under the Regional Lease.

ii. The treatment of the Bluegrass Downs Transaction hereunder is not intended to serve as a precedent for the treatment of future dispositions (if any) which may be effectuated under any applicable provision of the Regional Lease.

3. **No Other Modification or Amendment to the Lease**. The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the "**Lease**" shall be deemed to refer to the Lease as amended by this Amendment.

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

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

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

7. **Miscellaneous**. If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change,

modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

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

LANDLORD:

HARRAH'S JOLIET LANDCO LLC,
a Delaware limited liability company

By:___________________________________
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

DES PLAINES DEVELOPMENT LIMITED PARTNERSHIP,
a Delaware limited partnership

By: Harrah's Illinois LLC,
a Nevada limited liability company,
its general partner

By:___________
Name:___________
Title:___________

[Signatures Continue on Following Pages]

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

PROPCO TRS LLC,
a Delaware limited liability company

By:
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

CEOC, LLC hereby acknowledges this Amendment and reaffirms its joinder attached to the Lease.

CEOC, LLC,
a Delaware limited liability company

By:__________
Name:__________
Title:__________

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Fifth Amendment to Lease (the "Amendment"; capitalized terms used herein without definition having the meanings set forth in the Amendment), dated as of September 3, 2021, by and among Harrah's Joliet Landco LLC, a Delaware limited liability company, as Landlord, Des Plaines Development Limited Partnership, a Delaware limited partnership, as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 3, 2021.

CAESARS ENTERTAINMENT, INC.

By:___________
Name:____________
Title:____________

[Signature Page to Acknowledgment and Agreement of Guarantor]

EIGHTH AMENDMENT TO LEASE

This **EIGHTH AMENDMENT TO LEASE** (this "Amendment") is entered into as of September 3, 2021, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, "Landlord"), the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, "Tenant") and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("Propco TRS").

RECITALS

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

WHEREAS, on December 28, 2020, Bluegrass Downs Property Owner LLC conveyed to McCracken County, Kentucky certain real property interests associated with the former gaming and entertainment facility known as Bluegrass Downs located in Paducah, Kentucky, which facility was (prior to such conveyance) subject to the Lease (the "Bluegrass Downs Transaction"), and the Bluegrass Downs Leased Property (as defined below) was severed from the Lease as of such date;

WHEREAS, on the date hereof, CEOC, LLC and Roman Holding Company of Indiana LLC, collectively as sellers (collectively, "Sellers"), and EBCI MezzCo LLC, as purchaser, are closing a purchase and sale transaction under that certain Equity Purchase Agreement, dated as of December 24, 2020, with respect to Sellers' aggregate one hundred percent (100%) equity interest in Caesars Riverboat Casino, LLC ("Operator"), which entity operates the gaming and entertainment facility known as Caesars Southern Indiana (formerly known as Horseshoe Southern Indiana), located in Elizabeth, Indiana (and, together with Roman Holding Company of Indiana LLC, leases such facility pursuant to the terms of the Lease) (the "Southern Indiana Transaction"); and

WHEREAS, in connection with the Southern Indiana Transaction, the Southern Indiana Leased Property (as defined below) will be severed from the Lease and Landlord will enter into a new lease with Operator in respect of the Southern Indiana Facility (as defined below) (the "New Lease"); and

WHEREAS, in connection with the Bluegrass Downs Transaction and the Southern Indiana Transaction, the parties hereto desire to amend the Lease as set forth herein.

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

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

2. **Amendments to the Lease for Bluegrass Downs Transaction**. Effective as of December 28, 2020 (the "Bluegrass Downs Severance Date"):

A. Termination of the Lease as to the Bluegrass Downs Facility.

i. the Lease is hereby terminated with respect to the Bluegrass Downs Leased Property, the Bluegrass Downs Leased Property no longer constitutes Leased Property under the Lease, and neither Landlord nor Tenant has any further liabilities or obligations under the Lease, from and after the Bluegrass Downs Severance Date, in respect of the Bluegrass Downs Facility (as defined below) and the Bluegrass Downs Leased Property (provided that any such liabilities or obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment); and

ii. the Guaranty hereby automatically, and without further action by any party, ceases to apply with respect to any Obligations (as defined in the Guaranty) with respect to the Bluegrass Downs Facility or the Bluegrass Downs Leased Property to the extent arising from and after the Bluegrass Downs Severance Date (provided that any such Obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment). The term "Bluegrass Downs Facility" refers to the applicable Facility identified as Facility 16 on the list of the Facilities annexed as Exhibit A to the Lease (prior to giving effect to the replacement of said Exhibit A pursuant to Section 3.K.i. of this Amendment). The term "Bluegrass Downs Leased Property" refers to the Land set forth on Annex B hereto and any other Leased Property pertaining to the Bluegrass Downs Facility.

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

C. Variable Rent. From and after the Bluegrass Downs Severance Date, for purposes of any calculation of Variable Rent under the Lease, including any adjustments in Variable Rent based on increases or decreases in Net Revenue, such calculations of Net Revenue shall exclude Net Revenue attributable to the Bluegrass Downs Facility.

D. Bluegrass Downs Transaction.

i. Each of Landlord and Tenant hereby acknowledge and agree that (i) such party consented to the Bluegrass Downs Transaction, including the severance of the Bluegrass Downs Leased Property from the Lease as of the Bluegrass Downs Severance Date, and (ii) the removal of the Bluegrass Downs Facility from the Lease shall not constitute a L1/L2 Transfer nor a transfer and sale pursuant to Section 22.2(ix) of the Lease.

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

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

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

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

i. Facilities. Exhibit A annexed to the Lease (setting forth the list of Facilities under the Lease) is hereby amended such that the Bluegrass Downs Facility is hereby deleted from said Exhibit A. For the avoidance of doubt, (i) the amendment effectuated by this Section 2.E.i. shall be made with respect to Exhibit A annexed to the Lease prior to giving effect to the replacement of said Exhibit A pursuant to Section 3.K.i. of this Amendment and (ii) the replacement Exhibit A that is annexed hereto as Schedule C reflects the amendment effectuated by this Section 2.E.i.

ii. Legal Description. The legal descriptions with respect to the Leased Property set forth on Exhibit B annexed to the Lease are hereby amended such that the legal description with respect to the Leased Property pertaining to the Bluegrass Downs Facility, as set forth on Annex B attached hereto, is hereby deleted from said Exhibit B.

iii. Ground Leased Property. The legal descriptions with respect to the Ground Leased Property set forth on Exhibit E annexed to the Lease are hereby amended such that the legal description with respect to the Ground Leased Property pertaining to the Bluegrass Downs Facility, as set forth on Annex C attached hereto, is hereby deleted from said Exhibit E.

iv. Description of Title Policies. The list of Title Policies set forth on Exhibit J annexed to the Lease is hereby amended such that the reference thereon to the Title Policy relating solely to the Bluegrass Downs Facility is hereby deleted from said Exhibit J.

v. Brands. The list of Brands set forth on Exhibit M annexed to the Lease is hereby amended such that “Bluegrass Downs” is hereby deleted from said Exhibit M.

vi. Managed Facilities IP Trademarks. The list of Managed Facilities IP set forth on Exhibit P annexed to the Lease is hereby amended such that “Bluegrass Downs” is hereby deleted from said Exhibit P.

vii. Landlord Entities. The list of entities comprising Landlord set forth on Schedule A annexed to the Lease shall be amended such that, from and after the Bluegrass Downs Severance Date, Bluegrass Downs Property Owner LLC shall be deleted from said Schedule A and Bluegrass Downs Property Owner LLC shall no longer be a Landlord under the Lease.

viii. Tenant Entities. The list of entities comprising Tenant set forth on Schedule B annexed to the Lease shall be amended such that, from and after the Bluegrass Downs Severance Date, Players Bluegrass Downs LLC shall be deleted from said Schedule B and Players Bluegrass Downs LLC shall no longer be a Tenant under the Lease.

ix. Ground Leases. The list of Ground Leases set forth on Schedule 2 annexed to the Lease is hereby amended such that the Ground Leases pertaining to the Bluegrass Downs Facility, as set forth on Annex D attached hereto, are hereby deleted from said Schedule 2.

3. **Amendments to the Lease for Southern Indiana Transaction**.

A. Termination of the Lease as to the Southern Indiana Facility. Effective as of the date hereof:

i. the Lease is hereby terminated with respect to the Southern Indiana Leased Property, the Southern Indiana Leased Property no longer constitutes Leased Property under the Lease, and neither Landlord nor Tenant has any further liabilities or obligations under the Lease, from and after the date of this Amendment, in respect of the Southern Indiana Facility and the Southern Indiana Leased Property (provided that, subject to Sections 3.A.v and 3.A.vi, any such liabilities or obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment);

ii. the Guaranty hereby automatically, and without further action by any party, ceases to apply with respect to any Obligations with respect to the Southern Indiana Facility or the Southern Indiana Leased Property to the extent arising from and after the date of this Amendment (provided that, subject to Sections 3.A.v and 3.A.vi., any such Obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment);

iii. Article II of the Lease is hereby amended by deleting the following words from the definition of "Continuous Operation Facilities" in their entirety: "Horseshoe Southern Indiana,";

iv. The term "Southern Indiana Facility" refers to the applicable Facility identified as Facility 4 on the list of the Facilities annexed as Exhibit A to the Lease (prior to giving effect to the replacement of said Exhibit A pursuant to Section 3.K.i. of this Amendment). The term "Southern Indiana Leased Property" refers to the Land set forth on Annex A hereto and any other Leased Property pertaining to the Southern Indiana Facility;

v. (x) Operator hereby assigns to CEOC, LLC, and CEOC, LLC hereby assumes from Operator, (1) all of Operator's rights, title and interest in respect of, or arising under, the Lease, whenever arising and (2) all of the Operator's duties, obligations and liabilities in respect of, or arising under, the Lease, whenever arising (the matters set forth in this clause (2), collectively, the "Operator Liabilities") and (y) Landlord hereby consents to the foregoing assignment and assumption (provided CEOC, LLC shall not further assign the Operator Liabilities to any other Person, provided, the foregoing is not intended to and shall not restrict any transfers permitted under Section 22.2 of the Lease); and

vi. effective (1) immediately after giving effect to the assignment and assumption provided for in the immediately preceding Section 3.A.v. and (2) immediately prior to the effectiveness of the New Lease: (x) Landlord hereby absolutely and unconditionally releases and forever discharges Operator, to the fullest extent permitted under law, from all Operator Liabilities and any and all claims, liabilities, demands, expenses and other obligations of any kind, at law, equity or otherwise, whether past, present or future, known or unknown, actual or contingent, or direct or indirect, arising out of or relating in any manner to the Operator Liabilities; and (y) Operator (on behalf of itself, but not on behalf of any other Tenant entity) hereby absolutely and unconditionally releases and forever discharges Landlord, to the fullest extent permitted under law, from all of Landlord's duties, obligations and liabilities (if any) in respect of, or arising under, the Lease, whenever arising (collectively, the "Landlord Liabilities") and any and all claims, liabilities, demands, expenses and other obligations of any kind, at law, equity or otherwise, whether past, present or future, known or unknown, actual or contingent, or direct or indirect, arising out of or relating in any manner to the Landlord Liabilities. For the avoidance of doubt, the parties hereto acknowledge and agree that the releases contained in this Section 3.A.vi. are not intended to, and shall not, have any effect with respect to the rights and obligations of Operator and Landlord under the New Lease. Operator hereby represents, warrants and covenants to Landlord that it has taken all necessary action to authorize the release of Landlord as set forth in this Section 3.A.vi., and such release does not conflict with, or result in a breach of, any agreement or instrument by which Operator is bound. Landlord hereby represents, warrants and covenants to Operator that it has taken all necessary action to authorize the release of Operator as set forth in this Section 3.A.vi., and such release does not conflict with, or result in a breach of, any agreement or instrument by which Landlord is bound.

B. Rent.

i. Article II of the Lease is hereby amended by adding the following three (3) definitions thereto:

"“Eighth Amendment Date”: September 3, 2021."

"“Southern Indiana Property”: The portion of the Leased Property (as of the date that immediately precedes the Eighth Amendment Date) that pertained to the gaming and entertainment facility known as Caesars Southern Indiana (formerly known as Horseshoe Southern Indiana) located in Elizabeth, Indiana. As of the Eighth Amendment Date, the Southern Indiana Property no longer constitutes Leased Property under this Lease."

"“Specified Eighth Amendment Date Rent Amount”: As defined in the definition of Rent."

ii. Article II of the Lease is hereby amended such that clause (a) of the definition of "Rent" is hereby deleted and replaced with the following:

"(a) (i) For the first (1st) Lease Year, Rent shall be equal to Four Hundred Thirty-Three Million Three Hundred Thousand and No/100 Dollars ($433,300,000.00); (ii) for the second (2nd) Lease Year, Rent shall be equal to Four Hundred Sixty Million Seven Hundred Ninety-Nine Thousand Five Hundred and No/100 Dollars ($460,799,500.00) (provided, that for the second (2nd) Lease Year only, an incremental portion of the annual Rent due for such Lease Year equal to Twenty-One Million and No/100 Dollars ($21,000,000.00) relating to the Chester Property (which Twenty-One Million and No/100 Dollars ($21,000,000.00) is included in the Four Hundred Sixty Million Seven Hundred Ninety-Nine Thousand Five Hundred and No/100 Dollars ($460,799,500.00) amount in this clause (ii)) shall be prorated and payable only with respect to the period from and after the Fourth Amendment Date such that Tenant shall not be required to pay any portion of such incremental portion of the annual Rent relating to the Chester Property with respect to the portion of the second (2nd) Lease Year occurring prior to the Fourth Amendment Date); (iii) for the third (3rd) Lease Year, Rent shall be equal to Six Hundred Twenty-One Million Seven Hundred Eleven Thousand Four Hundred Ninety-Two and 52/100 Dollars ($621,711,492.52) (provided, that, for the third (3rd) Lease Year only, an incremental portion of the annual Rent due for such Lease Year in an amount equal to One Hundred Fifty-Four Million and No/100 Dollars ($154,000,000.00) relating to the Fifth Amendment Additional Property (the "Fifth Amendment Date Rent Increase") (which Fifth Amendment Date Rent Increase amount is included in the Six Hundred Twenty-One Million Seven Hundred Eleven Thousand Four Hundred Ninety-Two and 52/100 Dollars ($621,711,492.52) amount in this clause (iii)) shall be prorated and payable only with respect to the period from and after the Fifth Amendment Date such that Tenant shall not be required to pay any portion of the Fifth Amendment Date Rent Increase with respect to the portion of the third (3rd) Lease Year occurring prior to the Fifth Amendment Date); (iv) for the fourth (4th) Lease Year, Rent shall be equal to Five Hundred Ninety-Eight Million Five Hundred Thirty-Seven Thousand One Hundred Sixty-Five and No/100 Dollars ($598,537,165.00) (provided, that, for the fourth (4th) Lease Year only, an additional amount of annual Rent equal to Thirty-Two Million Five Hundred Thousand and No/100 Dollars ($32,500,000.00) relating to the Southern Indiana Property (which Thirty-Two Million Five Hundred Thousand and No/100 Dollars ($32,500,000.00) is not included in the Five Hundred Ninety-Eight Million Five Hundred Thirty-Seven Thousand One Hundred Sixty-Five and No/100 Dollars ($598,537,165.00) amount in this clause (iv)) shall be prorated and payable with respect to the period prior to the Eighth Amendment Date, such that Tenant shall be required to pay such additional amount of annual Rent relating to the Southern Indiana Property (the "Specified Eighth Amendment Date Rent Amount") with respect to the portion of the fourth (4th) Lease Year occurring prior to (but not from and after) the Eighth Amendment Date); and (v) for the fifth (5th) through and including the seventh (7th) Lease Years, the Rent payable for each such Lease Year shall be adjusted as provided in the next succeeding sentence. On each Escalator Adjustment Date during the fifth (5th) through and including the seventh (7th) Lease Years, the Rent payable for each such Lease Year shall be adjusted to be equal to the Rent payable for the immediately preceding Lease Year (as in effect on the last day of such preceding Lease Year, and disregarding, for the avoidance of doubt, for purposes of the calculation under this sentence, the Specified Eighth Amendment Date Rent Amount), multiplied by the Escalator. For purposes of clarification, there shall be no Variable Rent (defined below) payable during the first seven (7) Lease Years."

iii. Section 3.1(b) is hereby amended by deleting the word "and" that immediately follows clause (v) thereof and adding the following immediately after clause (vi) thereof as subsection (vii):

", and (vii) on the Eighth Amendment Date, the amount of each remaining monthly installment of Rent in the Lease Year in which the Eighth Amendment Date occurs (i.e., each installment of Rent payable in such Lease Year after the Eighth Amendment Date, but not, for the avoidance of doubt, the installment of Rent payable in respect of the month in which the Eighth Amendment Date occurs) shall be recalculated to give effect to the changes to Rent effectuated by the amendments to this Lease on the Eighth Amendment Date. With respect to the portion of the Specified Eighth Amendment Date Rent Amount prepaid by Tenant in respect of the month in which the Eighth Amendment Date occurs (if any), Tenant may seek a credit for such sum directly from the purchaser of the equity interests in the operator of the Southern Indiana Property."

C. Variable Rent.

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

ii. Article II of the Lease is hereby amended such that the definition of "Base Net Revenue Amount" is hereby deleted and replaced with the following:

"'Base Net Revenue Amount': An amount equal to the arithmetic average of the following: (i) Three Billion One Hundred Forty-One Million Eighty Thousand Nine Hundred Eighty-Four and No/100 Dollars ($3,141,080,984.00), which amount Landlord and Tenant agree represents Net Revenue for the Fiscal Period immediately preceding the first (1st) Lease Year (i.e., the Fiscal Period ending September 30, 2017), (ii) Three Billion One Hundred Fifty-Seven Million One Hundred Twenty-Four Thousand Nine Hundred and No/100 Dollars ($3,157,124,900.00), which amount Landlord and Tenant agree represents the Net Revenue for the Fiscal Period immediately preceding the end of the first (1st) Lease Year (i.e., the Fiscal Period ending September 30, 2018) and (iii) Three Billion Forty-Nine Million One Hundred Sixty-Five Thousand Seven Hundred Nine and No/100 Dollars ($3,049,165,709.00), which amount Landlord and Tenant agree represents the Net Revenue for the Fiscal Period immediately preceding the end of the second (2nd) Lease Year (i.e., the Fiscal Period ending September 30, 2019). For the avoidance of doubt, the term "arithmetic average" as used in this definition refers to the quotient obtained by dividing (x) the sum of the amounts set forth in clauses (i), (ii) and (iii) by (y) three (3)."

D. Annual Minimum Cap Ex Amount. Article II of the Lease is hereby amended such that the definition of "Annual Minimum Cap Ex Amount" is hereby revised and modified to replace the reference therein to "One Hundred Fourteen Million Five Hundred Thousand and No/100 Dollars ($114,500,000.00)" with a reference to "One Hundred Eight Million Six Hundred Thousand and No/100 Dollars ($108,600,000.00)".

E. Annual Minimum Per-Lease B&I Cap Ex Requirement. Landlord and Tenant hereby acknowledge, for the avoidance of doubt, that the Net Revenue attributable to the Southern Indiana Facility for the 2020 Fiscal Year and the 2021 Fiscal Year shall not be included for purposes of calculating the Capital Expenditures required under Section 10.5(a)(ii) of the Lease.

F. Triennial Allocated Minimum Cap Ex Amount B Floor. Article II of the Lease is hereby amended such that the definition of "Triennial Allocated Minimum Cap Ex Amount B Floor" is hereby revised and modified to replace the reference therein to "Three Hundred

Eleven Million and No/100 Dollars ($311,000,000.00)" with a reference to "Two Hundred Ninety Million and No/100 Dollars ($290,000,000.00)".

G. Triennial Minimum Cap Ex Amount A. Article II of the Lease is hereby amended such that the definition of "Triennial Minimum Cap Ex Amount A" is hereby revised and modified to replace the reference therein to "Five Hundred Sixty-Six Million Seven Hundred Thousand and No/100 Dollars ($566,700,000.00)" with a reference to "Five Hundred Thirty-Seven Million Five Hundred Thousand and No/100 Dollars ($537,500,000.00)".

H. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of "Triennial Minimum Cap Ex Amount B" is hereby revised and modified to replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)".

I. Partial Periods.

i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to "Five Hundred Sixty-Six Million Seven Hundred Thousand and No/100 Dollars ($566,700,000.00)" with a reference to "Five Hundred Thirty-Seven Million Five Hundred Thousand and No/100 Dollars ($537,500,00.00)" and (b) replace the reference therein to "One Hundred Eighty-Eight Million Nine Hundred Thousand and No/100 Dollars ($188,900,000.00)" with a reference to "One Hundred Seventy-Nine Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Seven and No/100 Dollars ($179,166,667.00)",

ii. Section 10.5(a)(v)(c) of the Lease is hereby amended to (a) replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars ($384,300,000.00)" and (b) replace the reference therein to "One Hundred Thirty-Five Million Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars ($135,066,666.67)" with a reference to "One Hundred Twenty-Eight Million One Hundred Thousand and No/100 Dollars ($128,100,000.00)", and

iii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to "Five Hundred Sixty-Six Million Seven Hundred Thousand and No/100 Dollars ($566,700,000.00)" with a reference to "Five Hundred Thirty-Seven Million Five Hundred Thousand and No/100 Dollars ($537,500,000.00)", (b) replace the reference therein to "One Hundred Eighty-Eight Million Nine Hundred Thousand and No/100 Dollars ($188,900,000.00)" with a reference to "One Hundred Seventy-Nine Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Seven and No/100 Dollars ($179,166,667.00)", (c) replace the reference therein to "Four Hundred Five Million Two Hundred Thousand and No/100 Dollars ($405,200,000.00)" with a reference to "Three Hundred Eighty-Four Million Three Hundred Thousand and No/100 Dollars

($384,300,000.00)" and (d) replace the reference therein to "One Hundred Thirty-Five Million Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars ($135,066,666.67)" with a reference to "One Hundred Twenty-Eight Million One Hundred Thousand and No/100 Dollars ($128,100,000.00)".

J. Section 22.2(vii) Transfer.

i. Landlord and Tenant hereby acknowledge and agree that the Southern Indiana Transaction shall be deemed to be, and treated as, a transfer and sale of the entire Leasehold Estate with respect to a Facility pursuant to Section 22.2(vii) of the Lease (including, without limitation, for purposes of any determinations under clause (6) thereof), irrespective of whether or not Section 22.2(vii) and Section 22.9 of the Lease are applicable to the Southern Indiana Transaction. For the avoidance of doubt, after giving effect to the Southern Indiana Transaction, the percentage of the 2018 EBITDAR Pool that remains available for application to any and all subsequent transfers pursuant to Section 22.2(vii) of the Lease shall not exceed 18.4% in the aggregate.

ii. All of the applicable requirements and conditions set forth in Section 22.2(vii) and Section 22.9 of the Lease with respect to such transfer and sale (if, and to the extent, applicable to the Southern Indiana Transaction) are deemed satisfied or waived by the execution of this Amendment and the consummation of the closing of the Southern Indiana Transaction.

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

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

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

i. Facilities. Exhibit A annexed to the Lease (setting forth the list of Facilities under the Lease) is hereby replaced with the replacement Exhibit A that is annexed hereto as Schedule C.

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

iii. Property Specific IP. The list of Property Specific IP set forth on Exhibit H annexed to the Lease is hereby amended such that:

(a) the following items of Property Specific IP listed thereon are hereby deleted from said Exhibit H:

Mark	Jurisdiction	Brand	Specific/ Enterprise	Property	App. No.	App. Date	Reg. No.	Reg. Date	Status
Midwest Regional Poker Championships	Indiana	Horseshoe	Specific	Caesars Southern Indiana	N/A	6/1/2016	2016-0311	6/1/2016	Registered
The Venue (logo)	Indiana	Horseshoe	Specific	Caesars Southern Indiana	2009-0045	1/21/2009	2009-0045	1/21/2009	Registered

(b) the following item of Property Specific IP is hereby added to said Exhibit H:

Mark	Jurisdiction	Brand	Specific/ Enterprise	Property	App. No.	App. Date	Reg. No.	Reg. Date	Status
The Venue (logo)	Indiana	Horseshoe	Specific	Horseshoe Hammond	2009-0045	1/21/2009	2009-0045	1/21/2009	Registered

iv. Description of Title Policies. The list of Title Policies set forth on Exhibit J annexed to the Lease is hereby amended such that the reference thereon to the Title Policy relating solely to the Southern Indiana Facility is hereby deleted from said Exhibit J.

v. Managed Facilities IP Trademarks. The list of Managed Facilities IP set forth on Exhibit P annexed to the Lease is hereby amended such that “Caesars Southern Indiana” is hereby deleted from said Exhibit P.

vi. Landlord Entities. The list of entities comprising Landlord set forth on Schedule A annexed to the Lease is hereby amended such that, from and after the date hereof, Horseshoe Southern Indiana LLC shall be deleted from said Schedule A and Horseshoe Southern Indiana LLC shall no longer be a Landlord under the Lease.

vii. Tenant Entities. The list of entities comprising Tenant set forth on Schedule B annexed to the Lease is hereby amended such that, from and after the date hereof, Caesars Riverboat Casino, LLC and Roman Holding Company of Indiana LLC shall be deleted from said Schedule B and Caesars Riverboat Casino, LLC and Roman Holding Company of Indiana LLC shall no longer be Tenants under the Lease.

viii. Gaming Licenses. The list of Gaming Licenses set forth on Schedule 1 annexed to the Lease is hereby amended such that the Gaming Licenses bearing Unique IDs 458 and 121 relating to the Southern Indiana Facility are hereby deleted from said Schedule 1.

ix. Maximum Fixed Rent Term. The schedule setting forth the Maximum Fixed Rent Term with respect to each Facility set forth on Schedule 3 annexed to the Lease is hereby amended such that the reference to "Horseshoe Southern Indiana" thereon is hereby deleted from said Schedule 3.

x. Specified Subleases. The list of Specified Subleases set forth on Schedule 4 annexed to the Lease is hereby amended such that the Specified Subleases bearing Contract ID Nos. 8804, 14892, 8891, 8892, 14839, 14840, 15228, and 14893 are hereby deleted from said Schedule 4.

xi. Property Specific Rent Allocation. The schedule setting forth the property-specific rent allocation with respect to the two (2) facilities set forth on Schedule 5-A annexed to the Lease is hereby amended such that the reference to "Horseshoe Southern Indiana: $3,221,235.00" thereon is deleted from said Schedule 5-A.

4. **No Other Modification or Amendment to the Lease**. The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the "**Lease**" shall be deemed to refer to the Lease as amended by this Amendment. For the avoidance of doubt, the Lease shall continue in full force and effect with respect to the balance of (x) the Facilities (other than (i) the Bluegrass Downs Facility as of the Bluegrass Downs Severance Date in accordance with Section 2.A. of this Amendment and (ii) the Southern Indiana Facility as of the date hereof in accordance with Section 3.A. of this Amendment) and (y) the Leased Property (other than (i) the Bluegrass Downs Leased Property as of the Bluegrass Downs Severance Date in accordance with Section 2.A. of this Amendment and (ii) the Southern Indiana Leased Property as of the date hereof in accordance with Section 3.A. of this Amendment).

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

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

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

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

[Signature Page Follows]

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

LANDLORD:

HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
CAESARS SOUTHERN INDIANA PROPCO LLC (FORMERLY KNOWN AS HORSESHOE SOUTHERN INDIANA LLC)
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
BALLY'S ATLANTIC CITY LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
BLUEGRASS DOWNS PROPERTY OWNER LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC
each, a Delaware limited liability company

By:________
Name: David Kieske
Title: Treasurer

HORSESHOE BOSSIER CITY PROP LLC
HARRAH'S BOSSIER CITY LLC
each, a Louisiana limited liability company

By:________
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

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

By:_____________
Name:_____________
Title:_____________

HORSESHOE ENTERTAINMENT,
a Louisiana limited partnership

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

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

By:____________
Name:____________
Title:____________

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

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

By:____________
Name:____________
Title:____________

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

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

By:____________
Name:____________
Title:____________

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

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

By:____________
Name:____________
Title:____________

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

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

By:____________
Name:____________
Title:____________

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

PROPCO TRS LLC,
a Delaware limited liability company

By:________
Name: David Kieske
Title: Treasurer

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Eighth Amendment to Lease (the "Amendment"; capitalized terms used herein without definition having the meanings set forth in the Amendment), dated as of September 3, 2021, by and among the entities listed on Schedule A attached thereto, as Landlord, and the entities listed on Schedule B attached thereto, as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that, except as expressly set forth in Section 2.A.ii. and Section 3.A.ii. of the Amendment, nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 3, 2021.

CAESARS ENTERTAINMENT, INC.

By:___________
Name:___________
Title:___________

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC

Harrah's Council Bluffs LLC

Harrah's Metropolis LLC

Caesars Southern Indiana Propco LLC (formerly known as Horseshoe Southern Indiana LLC)

New Horseshoe Hammond LLC

Horseshoe Bossier City Prop LLC

Harrah's Bossier City LLC

New Harrah's North Kansas City LLC

Grand Biloxi LLC

Horseshoe Tunica LLC

New Tunica Roadhouse LLC

Caesars Atlantic City LLC

Bally's Atlantic City LLC

Harrah's Lake Tahoe LLC

Harvey's Lake Tahoe LLC

Harrah's Reno LLC

Bluegrass Downs Property Owner LLC

Vegas Development LLC

Vegas Operating Property LLC

Miscellaneous Land LLC

Propco Gulfport LLC

Philadelphia Propco LLC

Harrah's Atlantic City LLC

New Laughlin Owner LLC

Harrah's New Orleans LLC

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.

HBR Realty Company LLC

Harveys Iowa Management Company LLC

Southern Illinois Riverboat/Casino Cruises LLC

Caesars Riverboat Casino LLC

Roman Holding Company of Indiana LLC

Horseshoe Hammond, LLC

Horseshoe Entertainment

Harrah's Bossier City Investment Company, LLC

Harrah's North Kansas City LLC

Grand Casinos of Biloxi, LLC

Robinson Property Group LLC

Tunica Roadhouse LLC

Boardwalk Regency LLC

Caesars New Jersey LLC

Harveys Tahoe Management Company LLC

Players Bluegrass Downs LLC

Casino Computer Programming, Inc.

Harveys BR Management Company, Inc.

Hole in the Wall, LLC

Chester Downs and Marina, LLC

Harrah's Atlantic City Operating Company, LLC

Harrah's Laughlin, LLC

Jazz Casino Company, L.L.C.

Schedule C

[follows immediately]

EXHIBIT A

FACILITIES

No.	Property	State	Fee Owner	Operating Entity
1.	Horseshoe Council Bluffs	Iowa	Horseshoe Council Bluffs LLC	HBR Realty Company LLC Harveys BR Management Company, Inc.
2.	Harrah’s Council Bluffs	Iowa	Harrah's Council Bluffs LLC	Harveys Iowa Management Company LLC CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
3.	Harrah’s Metropolis	Illinois	Harrah's Metropolis LLC	Southern Illinois Riverboat/Casino Cruises LLC
4.	Horseshoe Hammond	Indiana	New Horseshoe Hammond LLC	Horseshoe Hammond, LLC
5.	Horseshoe Bossier City	Louisiana	Horseshoe Bossier City Prop LLC	Horseshoe Entertainment
6.	Harrah’s Bossier City (Louisiana Downs)	Louisiana	Harrah's Bossier City LLC	Harrah's Bossier City Investment Company, L.L.C.
7.	Harrah’s North Kansas City	Missouri	New Harrah's North Kansas City LLC	Harrah’s North Kansas City LLC
8.	Harrah’s Gulf Coast (formerly known as Grand Biloxi Casino Hotel) and Biloxi Land	Mississippi	Grand Biloxi LLC	Grand Casinos of Biloxi, LLC Casino Computer Programming, Inc.

9.	Horseshoe Tunica	Mississippi and Arkansas	Horseshoe Tunica LLC	Robinson Property Group LLC
10.	Tunica Roadhouse	Mississippi	New Tunica Roadhouse LLC	Tunica Roadhouse LLC
11.	Caesars Atlantic City (includes Wild Wild West and Block 488 Parcel)	New Jersey	Caesars Atlantic City LLC Bally's Atlantic City LLC	Boardwalk Regency LLC Caesars New Jersey LLC
12.	Harrah’s Lake Tahoe	Nevada	Harrah's Lake Tahoe LLC	Harveys Tahoe Management Company LLC CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
13.	Harvey’s Lake Tahoe	Nevada and California	Harvey's Lake Tahoe LLC	Harveys Tahoe Management Company LLC
14.	Reno Billboard Parcel	Nevada	Harrah's Reno LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
15.	Las Vegas Land Assemblage Properties	Nevada	Vegas Development LLC	Hole in the Wall, LLC CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
16.	Harrah’s Airplane Hangar	Nevada	Vegas Operating Property LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.

17.	Land Leftover from Harrah's Gulfport	Mississippi	Propco Gulfport LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
18.	Vacant Land in Splendora, TX	Texas	Miscellaneous Land LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
19.	Vacant Land at Turfway Park	Kentucky	Miscellaneous Land LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
20.	Harrah's Philadelphia	Pennsylvania	Philadelphia Propco LLC	Chester Downs and Marina, LLC
21.	Harrah's Atlantic City	New Jersey	Harrah's Atlantic City LLC	Harrah's Atlantic City Operating Company, LLC
22.	Harrah's Laughlin	Nevada	New Laughlin Owner LLC	Harrah's Laughlin, LLC
23.	Harrah's New Orleans	Louisiana	Harrah's New Orleans LLC	Jazz Casino Company, L.L.C.

<u>Annex A</u>

Southern Indiana Leased Property

PARCEL I:

TRACT I:

Part of Section 12, Township 4 South, Range 5 East, in Posey Township, in Harrison County, Indiana, more particularly described as follows: Commencing at a point on the bank of the Ohio River referred to as a stone corner to James Farnsley and Arthur J. Cunningham in the Townsend deed, said point also being the Southernmost corner of Lot #3 of the Farnsley Survey, as recorded in Deed Record "Z" page 148; thence with the Southern line of Lot #3 of said Farnsley Survey North 64 degrees 29 minutes 9 seconds West, 271.46 feet to a #4 reinforcing bar in the Northern right of way of State Road #111, THIS BEING THE POINT OF BEGINNING; thence continue with the Southern line of #3 North 64 degrees 29 minutes 9 seconds West, 141.04 feet, North 21 degrees 30 minutes 51 seconds East, 495.00 feet, North 11 degrees 29 minutes 9 seconds West, 657.19 feet, North 74 degrees 14 minutes 25 seconds West, 1444.07 feet to an iron pin; thence North 4 degrees 5 minutes 13 seconds West, 418.77 feet to an iron pin found; thence South 86 degrees 54 minutes 47 seconds West, 429.00 feet; thence North 84 degrees 40 minutes 23 seconds West, 891.00 feet; thence South 51 degrees 54 minutes 51 seconds West, 561.00 feet to an iron pin found in the Southern line of Tract #3 of the Farnsley Survey; thence along the Eastern line of Tract #6 of the Farnsley Survey continuing as follows: South 29 degrees 55 minutes 31 seconds West, 495.00 feet to an iron pin found, South 4 degrees 25 minutes 31 seconds West, 561.00 feet to an iron pin found; thence along the South line of Tract #6 South 89 degrees 34 minutes 29 seconds East, 555.60 feet to a point in the center of the Old Dug Road; thence along the center of the Old Dug Road as follows: North 2 degrees 3 minutes 54 seconds East, 161.56 feet, North 15 degrees 56 minutes 4 seconds East, 102.40 feet, North 73 degrees 13 minutes 24 seconds East, 139.57 feet, South 76 degrees 36 minutes 56 seconds East, 139.40 feet, North 80 degrees 16 minutes 44 seconds East, 135.03 feet, North 52 degrees 10 minutes 34 seconds East, 125.26 feet, North 39 degrees 22 minutes 34 seconds East, 53.31 feet, North 37 degrees 8 minutes 44 seconds East, 149.95 feet, North 66 degrees 10 minutes 4 seconds East, 98.95 feet, North 71 degrees 55 minutes 54 seconds East, 115.29 feet, North 44 degrees 54 minutes 04 seconds East, 223.85 feet, North 57 degrees 11 minutes 44 seconds East, 217.43 feet, South 89 degrees 31 minutes 46 seconds East, 91.00 feet, South 38 degrees 49 minutes 56 seconds East, 69.42 feet; thence leaving the center of said road South 16 degrees 47 minutes 36 seconds East, 196.85 feet to a #4 reinforcing bar; thence South 82 degrees 52 minutes 16 seconds West, 391.74 feet; thence South 17 degrees 15 minutes 54 seconds East, 600.00 feet; thence North 80 degrees 01 minutes 40 seconds East, 289.89 feet to an iron pin found on the top of the bluff; thence along the top of the bluff as follows: South 10 degrees 58 minutes 17 seconds East, 6.57 feet, South 26 degrees 36 minutes 3 seconds East, 52.67 feet, South 11 degrees 47 minutes 12 seconds West, 167.91 feet, South 10 degrees 59 minutes 28 seconds East, 86.18 feet,South 14 degrees 46 minutes 32 seconds West, 222.64 feet, South 3 degrees 39 minutes 48 seconds East, 117.73 feet, South 12 degrees 21 minutes 48 seconds East, 73.62 feet, South 16 degrees 51 minutes 48 seconds East, 78.03 feet, South 16 degrees 23 minutes 22 seconds West, 88.62 feet, South 8 degrees 14 minutes 52 seconds West, 74.71 feet; thence leaving the top of said bluff South 88 degrees 28 minutes 56 seconds East, 459.18 feet to a #4 reinforcing bar; thence North

27 degrees 11 minutes 34 seconds East, 26.92 feet to a point in the Northern line of Bridge Street, in the Town of Bridgeport, as recorded in the Harrison County Courthouse; thence along the Northern right of way of Bridge Street, South 73 degrees 59 minutes 56 seconds East, 477.21 feet to a right of way marker in the Northern right of way of State Road #111; thence with said right of way as follows: North 63 degrees 2 minutes 1 second East, 460.09 feet, North 75 degrees 19 minutes 58 seconds East, 140.83 feet; thence along a curve concave Northwesterly whose radius is 502.96 feet and whose long chord bears North 57 degrees 18 minutes 17 seconds East, having a length of 100.41 feet, a distance of 100.58 feet to the point of beginning.

ALSO:

Part of Section 12, Township 4 South, Range 5 East, in Posey Township,in Harrison County, Indiana, more particularly described as follows: Commencing at a point on the bank of the Ohio River referred to as a stone corner of James Farnsley and Arthur J. Cunningham in the Townsend deed, said point also being the Southernmost corner of Lot #3 of the Farnsley Survey, as recorded in Deed Record Book “Z” page 148, THIS BEING THE POINT OF BEGINNING; thence along the Southern line of Lot 3 of said Farnsley tract North 64 degrees 29 minutes 9 seconds West, 87.64 feet to a #4 reinforcing bar in the Southern right of way of State Road #111; thence with said right of way as follows: Along a curve concave Northwesterly whose radius is 672.96 feet and whose long chord bears South 47 degrees 1 minute 20 seconds West, having a length of 54.93 feet, a distance of 54.95 feet to a #4 reinforcing bar; thence South 24 degrees 35 minutes 30 seconds West, 274.71 feet to a #4 reinforcing bar; thence along a curve concave Northwesterly whose radius is 226.00 feet and whose long chord bears South 38 degrees 7 minutes 12 seconds West, 105.73 feet, a distance of 106.72 feet to a #4 reinforcing bar; thence South 6 degrees 31 minutes 30 seconds West, 298.78 feet to a point at the edge of the Ohio River; thence North 27 degrees 51 minutes 54 seconds East, 712.09 feet to the point of beginning.

TRACT II:

Part of Section 12, Township 4 South, Range 5 East, in Posey Township, in Harrison County, Indiana AND Part of Section 7, Township 4 South, Range 6 East of the Second Principal Meridian, in Franklin Township, in Floyd County, Indiana, more particularly described as follows: Commencing at a stone corner to James Farnsley and Arthur J. Cunningham, which is also the Southernmost corner of Lot #3 of the Farnsley Survey, as recorded in Deed Record Book “Z” page 148, said point being recreated and being on the bank of the Ohio River, THIS BEING THE POINT OF BEGINNING, thence along the Southwestern line of Lot #3 of said Farnsley Tract North 64 degrees 29 minutes 9 seconds West, 87.64 feet to a #4 reinforcing bar placed in the Southern right of way of Indiana State Highway #111; thence along the right of way of said highway as follows: Along a curve concave Northwesterly whose radius is 672.96 feet and whose long chord bears North 34 degrees 10 minutes 30 seconds East, having a length of 245.46 feet, a distance of 246.84 feet to a #4 reinforcing bar; thence continuing along said right of way North 8 degrees 11 minutes 51 seconds West, 119.27 feet to a #4 reinforcing bar; thence North 65 degrees 10 minutes 25 seconds West, 70.00 feet to a #4 reinforcing bar; thence South 44 degrees 7 minutes 0 seconds West, 105.95 feet to a #4 reinforcing bar; thence along a curve concave Northwesterly whose radius is 502.96 feet and whose long chord bears South 37 degrees 37 minutes 17 seconds West, having a length of 242.57 feet, a distance of 244.99 feet to a #4 reinforcing bar in the Southern line of Lot #3 of said Farnsley Tract; thence with said line North 64 degrees 29 minutes 9 seconds West, 141.04 feet; thence along the line of Lot #3 as follows: North 21 degrees 30 minutes 51 seconds East, 495.00 feet, North 11 degrees 29 minutes 9 seconds West, 657.19 feet, North 74 degrees 14 minutes 25 seconds West, 543.21 feet to an iron pin found marking the corner of property, recorded in Deed Record Book “C-9” page 128; thence leaving the Southern line of Lot #3 and along the property line of said tract as follows: North 18 degrees 26 minutes 36 seconds West, 112.26 feet to an iron pin found, North 57 degrees 5 minutes 56 seconds West, 194.06 feet to an iron pin found, North 47 degrees 22 minutes 31 seconds West, 157.28 feet to an iron pin found, North 35 degrees 54 minutes 56 seconds West, 172.63 feet to an iron pin found, North 65 degrees 25 minutes 11 seconds West, 134.39 feet to an iron pin found, North 79 degrees 11 minutes 31 seconds West, 166.74 feet to an iron pin found, North 59 degrees 5 minutes 30 seconds West, 227.74 feet to an iron pin found marking the Northwestern corner of said tract; thence said point being a corner of Lot #3 of said Farnsley Tract; thence continue along the perimeter of said Lot #3 of Farnsley Tract as follows: South 86 degrees 54 minutes 47 seconds West, 429.00 feet, North 84 degrees 40 minutes 23 seconds West, 891.00 feet, South 51 degrees 54 minutes 51 seconds West, 561.00 feet to an iron pin found, North 60 degrees 23 minutes 49 seconds West, 746.55 feet to an iron pin found; thence leaving the Southern line of Lot #3 of said Farnsley Tract North 13 degrees 9 minutes 43 seconds West, 135.00 feet to an iron pin found; thence South 50 degrees 42 minutes 35 seconds West, 282.00 feet to a iron pin found in the West line of the Northeast Quarter of the Northwest Quarter; thence with the West line of said Quarter, Quarter North 0 degrees 6 minutes 54 seconds East, 967.33 feet to an iron pin found at the Northwest corner of the Northeast Quarter of the Northwest Quarter of Section 12; thence with the North line of said Section, East, basis of bearings this description, 132.86 feet to a pin found as set in a legal survey completed April, 1979; thence continuing with said line East, 3027.53 feet to a stone found; thence South 57 degrees 1 minute 58 seconds East, 672.07 feet to a stone found; thence South 56 degrees 22 minutes 46 seconds East, 39.82 feet to an iron pin found; thence South 1 degree 8 minutes 40 seconds East, 281.84 feet to an iron pin found; thence South 74 degrees 0 minutes 16 seconds East, 724.42 feet to an iron pin found; thence South 66 degrees 32 minutes 11 seconds East, 922.90 feet to a point at the top of the bank of the Ohio River; thence with the bank of said river as follows: South 38 degrees 32 minutes 6 seconds West, 240.86 feet, South 33 degrees 40 minutes 44 seconds West, 208.82 feet, South 15 degrees 36 minutes 28 seconds West, 215.79 feet, South 27 degrees 58 minutes 14 seconds West, 188.90 feet, South 30 degrees 59 minutes 57 seconds West, 198.02 feet, South 29 degrees 30 minutes 53 seconds West, 229.26 feet, South 22 degrees 41 minutes 22 seconds West, 203.10 feet, South 24 degrees 17 minutes 17 seconds West, 194.43 feet, South 8 degrees 50 minutes 5 seconds West, 206.21 feet, South 27 degrees 15 minutes 27 seconds West, 205.43 feet to the point of beginning.

EXCEPT that part conveyed to Hoosier Energy Rural Electric Cooperative in a deed recorded August 31, 1998 as Instrument No. 98056759 and more particularly described as follows: Being a part of Section 12, Township 4 South, Range 5 East, in Harrison County, Indiana, and being part of the property conveyed to RDI/Caesars Riverboat Casino, LLC, as described by deed, recorded in Deed Book “9-O” page 337, said part being more particularly described as follows: Commencing at the Northwest corner of the Northeast Quarter of the Northwest Quarter of Section 12, Township 4 South, Range 5 East of the Second Principal Meridian; thence South 00 degrees 06 minutes 54 seconds West, 967.33 feet, North 50 degrees 42 minutes 35 seconds East, 282.00 feet, South 13 degrees 09 minutes 43 seconds East, 135.00 feet, South 60 degrees 23 minutes 49 seconds East, 756.44 feet, North 51 degrees 54 minutes 51 seconds East, 561.00 feet, South 84 degrees 40 minutes 23 seconds East, 891.00 feet; and thence crossing Stuckeys Road, North 86 degrees 54 minutes 47 seconds East, 429.00 feet to a four inch diameter steel pipe; thence North 38 degrees 51 minutes 17 seconds East, 285.15 feet to THE TRUE POINT OF BEGINNING of the tract being herein described; thence North 22 degrees 13 minutes 02 seconds East, 280.00 feet to a point; thence South 67 degrees 46 minutes 58 seconds East, 185.00 feet to a point; thence South 22 degrees 13 minutes 02 seconds West, 280.00 feet to a point; thence North 67 degrees 46 minutes 58 seconds West, 185.00 feet to the true point of beginning.

TRACT III:

Being a part of the Northeast Quarter of Fractional Section 12, Township 4 South, Range 5 East, in Posey Township, in Harrison County, Indiana, and being the same property conveyed to Melvin Earl Porter and Marilyn Sue Porter as described by deed, recorded in Deed Book “C-9” page 128, said property being more particularly described as follows: Commencing at the Northwest corner of the Northeast Quarter of the Northwest Quarter of Fractional Section 12, Township 4 South, Range 5 East of the Second Principal Meridian; thence the following courses: South 00 degrees 06 minutes 54 seconds West, 967.33 feet, North 50 degrees 42 minutes 35 seconds East, 282.00 feet, South 13 degrees 09 minutes 43 seconds East, 135.00 feet, South 60 degrees 23 minutes 49 seconds East, 756.55 feet, North 51 degrees 54 minutes 51 seconds East, 561.00 feet, South 84 degrees 40 minutes 23 seconds East, 891.00 feet, and North 86 degrees 54 minutes 47 seconds East, 429.00 feet to a found four-inch diameter steel pipe, BEING THE TRUE POINT OF BEGINNING of the tract being herein described; thence with the line between Porter and Caesar's (Deed Book “9-O” page 449), South 59 degrees 05 minutes 30 seconds East, 227.74 feet to a 5/8” diameter steel rebar; thence South 79 degrees 11 minutes 31 seconds East, 166.74 feet to a 5/8” diameter steel rebar; thence South 65 degrees 25 minutes 11 seconds East, 134.39 feet to a 5/8” diameter steel rebar; thence South 35 degrees 54 minutes 56 seconds East, 172.63 feet at a 5/8” diameter steel rebar; thence South 47 degrees 22 minutes 31 seconds East, 157.28 feet to a 5/8” diameter steel rebar; thence South 57 degrees 05 minutes 56 seconds East, 194.06 feet to a 5/8” diameter steel rebar; thence South 18 degrees 26 minutes 36 seconds East, 112.26 feet to a 5/8” diameter steel rebar in the line between Porter and Caesar's (Deed Book “9-N” page 458); thence with said line, North 74 degrees 14 minutes 25 seconds West, 900.36 feet to a nail in Stuckeys Road; thence with Stuckeys Road part of the way and beyond, North 04 degrees 05 minutes 13 seconds West, 418.77 feet to the point of beginning. (Being the same real estate as intended in Deed Record Book “R-9 page 320, in the Recorder's Office, in Harrison County, Indiana.)

PARCEL II:

Being a part of the Northwest Quarter of fractional Section 13, Township 4 South, Range 5 East, in Harrison County, Indiana and being part of the property conveyed to Lytle L. Smith as described by deed recorded in Deed Book 8-D, page 531, said part being more particularly described as follows:

Commencing at the northwest corner of the northwest quarter of fractional Section 13; thence east with the north line of Section 13, 1125.00 feet to a point in Lotticks Corner Road; thence continuing East 380.99 feet to a point; thence departing the road and with the east line of Meytz

(Deed Book 9-F, page 440), south 05 degrees 58 minutes 36 seconds West 723.72 feet to a found iron pipe; thence with the north line of Voogd (Deed Book 9-K, page 967), East 63.80 feet to the true point of beginning of the tract being herein described; thence North 34 degrees 30 minutes 38 seconds East 220.00 feet to a point; thence East 220.00 feet to a point in Doolittle Hill road; thence with Doolittle Hill road, South 34 degrees 30 minutes 38 seconds West 220.00 feet to a point; thence departing the road and with the north line of Voogd, West (passing a found iron pipe at 21.78 feet) 220.00 feet in all to the true point of beginning.

<u>Annex B</u>

Bluegrass Downs Leased Property

TRACT 1:

(Map Number 094-20-01-022)

Beginning at a 1/2" rebar located S. 55° 05' 21" E., 93.65 feet from a 1" iron pipe marking the northeast corner of Stuart Nelson Park, said northeast corner of Stuart Nelson Park located approximately 343 feet west of the centerline of Metcalf Lane, if extended, and located approximately 2436 feet north of the north right-of-way line of Hinkleville Road (U.S. Highway 60); thence from said point of beginning and along the north line of Stuart Nelson Park, N. 55° 05' 21" W., 458.52 feet to a 1/2" rebar located at the southeast corner of J.E.D.D., as recorded in Deed Book 695, Page 849 in the McCracken County Court Clerk's Office; thence along the east line of said J.E.D.D., N. 15° 02' 24" E., 666.47 feet to a 1/2" rebar located on the south line of Illinois Central Railroad; thence along the south line of Illinois Central Railroad, N. 82° 27' 04" E., 561.21 feet to a 1/2" rebar located on the East line of H. G. Ullerich, as recorded in Deed Book 282, Page 113, aforesaid clerk's office; thence along said Ullerich's East line, S. 19° 49' 41" W., 1041.53 feet to the point of beginning.

Being in all respects the same property conveyed to Players Bluegrass Downs, Inc., a Kentucky Corporation, by deed dated and recorded November 22, 1993, in Deed Book 801, Page 408, McCracken County Court Clerk's Office.

TRACT 2:

(Map Number 095-30-00-001)

Commencing at a right-of-way monument located on the East side of Metcalf Lane, 46 feet left of centerline station 107+45.00 as shown on the Kentucky Department of Transportation plans for Hinkleville Road, Project No. S.P. 73-6172; thence along the North right-of-way line of Hinkleville Road, S. 87° 07' 11" E., 746.09 feet; thence along the West right-of-way line of Downs Drive, N. 1° 55' 08" E., 400.04 feet to a 1/2" rebar located at the northwest corner of Downs Drive and said rebar being the point of beginning of the property herein described; thence from said point of beginning and along the North line of N. S. Rhodes Property, as recorded in Deed Book 716, Page 626 in the McCracken County Court Clerk's Office, N. 87° 08' 26" W., 440.94 feet to a 1/2" rebar located on the East line of H. W. Roberts, Jr. Property, as recorded in Deed Book 540, Page 295, aforesaid clerk's office; thence along the East line of C. S. Pirtle, as recorded in Deed Book 429, Page 531 and Deed Book 667, Page 704, aforesaid clerk's office, Mary Sue Taylor, as recorded in Deed Book 783, Page 748, aforesaid clerk's office, and Barbara Riley, as recorded in Deed Book 530, Page 688, aforesaid clerk's office, N. 02° 27' 00" E., 719.12 feet to a 1/2" rebar; thence along the North Property line of said Barbara Riley, N. 87° 43' 24" W., 316.20 feet to a 1/2" rebar located at the Northeast corner of Metcalf Lane; thence N. 87° 37' 18" E., 5.00 feet from said northwest corner; thence along the west right-of-way line of Metcalf Lane, 25 feet from and parallel to the centerline thereof, S. 02° 22' 42" W., 92.00 feet to a 1/2" rebar located on the North Line of D. F. Crosthwaite, as recorded in Deed Book 471, Page 564, aforesaid clerk's office; thence along said Crosthwaite's North line, N. 87° 37’ 18” W.

317.95 feet to a 1/2” rebar located at the northwest corner of said Crosthwaite; thence N. 02° 25' 25" E. 953.75 feet to a 1/2" rebar located at the southeast corner of Stuart Nelson Park; thence along the East line of Stuart Nelson Park, N. 02° 12' 35" E., 461.23 feet to a 1" iron pipe located at the Northeast corner of Stuart Nelson Park; thence S. 55° 05' 21" E., 93.65 feet to a 1/2" rebar; thence N. 19° 49' 41" E., 40.68 feet to a 1/2" rebar located at the Southwest corner of H. G. Ullerich, as recorded in Deed Book 282, Page 113, aforesaid clerk's office; thence along the South Line of H. G. Ullerich, as recorded in Deed Book 282, Pages 34 and 113, aforesaid clerk's office, Helen Gramse, as recorded in Deed Book 240, Page 508, aforesaid clerk's office, and William Baumer, as recorded in Deed Book 723, Page 557, aforesaid clerk's office, the following three calls: S. 59° 40' 47" E., 1655.72 feet to a 1/2" rebar; S. 63° 24' 13" E., 94.30 feet to a 1/2" rebar; S. 59° 03' 33" E., 1054.28 feet to a 1/2" rebar located on the West right-of-way line of the Floodwall, S. 24° 02' 34" W. 40.29 feet to a 1/2" rebar located on the North line of Gibraltar Management Co., Inc., as recorded in Deed Book 528, Page 298 and Deed Book 559, Page 81, aforesaid clerk's office; thence along said Gibraltor Management Co., Inc. Property, the following three calls: N. 59° 03' 33" W., 1057.60 feet to a nail in the race track, thence N. 63° 24' 13" W., 94.09 feet to a nail in the race track; thence S. 03° 20' 54" W., 1225.40 feet to a 1/2" rebar located at the Northeast corner of Wynn Sales and Service, Inc., as recorded in Deed Book 667, Page 786, aforesaid clerk's office; thence along the north line of said Wynn Sales and Service, Inc., N. 87° 08' 26" W., 335.75 feet to a 1/2" rebar located at the Northeast corner of Downs Drive; thence N. 87° 08' 26" W., 60.00 feet to the point of beginning.

Less and except an off-conveyance to the City of Paducah (1.065 acres) by deed dated December 17, 2004, of record in Deed Book 1055, page 180, aforesaid clerk’s office.

BEING in all respects the same property conveyed to Players Bluegrass Downs, Inc., a Kentucky Corporation, by deed dated and recorded November 22, 1993, in Deed Book 801, Page 411, McCracken County Court Clerk's Office.

TRACT 3:

(Map Number 095-10-00-014.01)

Being Parcel B, containing 9.480 acres more or less, as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, McCracken County Clerk’s Office, and being more particularly described as follows:

Being a tract of land located North of U.S. Highway 60 or Park Avenue and West of Metcalf Lane in the City of Paducah, McCracken County, Kentucky, more particularly described as follows: Beginning at a steel rod, ½ inch in diameter by 30 inches line with a plastic cap stamped "KRLS 1842" (hereinafter referred to as a steel rod and cap) set at the Southeasterly corner of the herein described property, said steel rod and cap being located North 02° 25' 25" East, a distance of 714.83 feet from a mag nail set on the Northerly right of way line of U.S. Highway 60, with said mag nail being located North 87° 08' 15" West, a distance of 307.10 feet from a concrete right of way marker located at the intersection of said Northerly right of way line with the Westerly right of way line of Metcalf Lane; thence from said point of beginning proceed North 86° 34' 29" West along and with the Southerly line of the herein described parcel 328.86 feet to a rebar with a metal cap found at the Southwesterly corner of the subject site herein described;

thence North 02° 31' 05" East, along and with the Westerly line of said site, 1,259.80 feet to a one inch diameter iron pipe found; the Northwesterly corner of the herein descried tract; thence South 86° 34' 19" East, a distance of 326.78 feet to a steel rod and cap set at the Northeasterly corner of the subject site; thence South 02° 25' 25" West, a distance of 1,259.82 feet to the point of beginning.

Together with a non-exclusive 40 foot wide easement for ingress and egress set forth in Agreement by and among Inez Johnson, Wayne Simpson and Players Bluegrass Downs, Inc. dated December 16, 1999 recorded Deed Book 929, Page 367, and as shown on as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, both in the McCracken County Clerk’s office

Being the same property leased to by unrecorded lease dated May 22, 1987, by and between Inez Johnson and Coy Stacey and Bobby Dextor, the Original Lessees, and subsequently assigned to Bluegrass Downs of Paducah, Ltd., (“Successor Lessee”) by an unrecorded Assignment of Lease dated June 1, 1987, all as evidenced of record by Memorandum of Lease dated June 1, 1987, of record in Deed Book 703, page 373. Said Successor Lessee having assigned all of its right, title and interest in and to said Lease to Players Bluegrass Downs, Inc., a Kentucky corporation, by Assignment of Lease dated November 22, 1993, as evidenced of record by memorandum thereof recorded in Deed Book 801, page 405, and as further affected by Agreement between Inez Johnson and Players Bluegrass Downs, Inc., dated December 16, 1999, recorded in Deed Book 929, page 367, all in the aforesaid clerk’s office.

TRACT 4:

(A part of Map Number 095-10-00-014)

Being Parcel A, containing 1.950 acres more or less, as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, McCracken County Clerk’s Office, and being more particularly described as follows:

Being a parcel of land located North of U.S. Highway 60 or Park Avenue and West of Metcalf Lane in the City of Paducah, McCracken County, Kentucky, more particularly described as follows:

Beginning at a steel rod, ½” diameter by 30" long with a plastic cap stamped "KRLS 1842" set at the time of this survey (hereinafter referred to as a steel rod and cap) at the Southeasterly corner of the herein described property, said steel rod and cap being located N. 02°-25'-25" E., a distance of 229.35 feet from a mag. Nail set on the Northwesterly right-of-way line of U.S. Highway 60 with said Mag. Nail being located N. 87°-08'-15" W., as distance of 307.10 feet from a concrete right-of-way marker located at the intersection of said Northerly right-of-way line with the Westerly right-of-way line of Metcalf Lane; thence from said point of beginning proceed N. 87°-55'-41" W. along and with the Southwestly line of the herein described parcel and with an existing six foot high chain link fence, 167.45 feet to a steel rod and cap set at the Southwesterly corner of the herein described property; thence N 25°-31'-05" W. and continuing along and with said chain-link fence, a distance of 20.17 feet to a steel rod and cap set on the Westerly line of the herein described parcel of land, thence N 03°03'-47" E. along and with the Westerly line aforesaid and continuing along and with the chain-link fence aforesaid, 471.72 feet to a steel road and cap set, the Northwesterly corner of the subject property; thence S 86°-34'-29" E. along and with the Northerly line of said subject site, 171.66 feet to a steel rod and cap set, the Northeasterly corner of said site; thence S 02°-25'-25" W. along and with an existing six foot high chain-link fence, 485.48 feet to the point of beginning.

Together with a non-exclusive 40 foot wide easement for ingress and egress set forth in Agreement by and among Inez Johnson, Wayne Simpson and Players Bluegrass Downs, Inc. dated December 16, 1999 recorded Deed Book 929, Page 367, and as shown on as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, both in the Office aforesaid.

Being the same property leased to Wayne Simpson and Gloria Simpson from Inez Johnson, by unrecorded lease dated July 31, 1987, and assigned to Players Bluegrass Downs, Inc., by Assignment of Lease dated June 13, 1994, of record in Deed Book 805, Page 423, in the office aforesaid, and as amended by Agreement between Inez Johnson, Wayne Simpson and Gloria Simpson, husband and wife, and Players Bluegrass Downs, Inc., dated December 16, 1999, recorded in Deed Book 929, Page 343, all in the office aforesaid.

Annex C

Ground Leased Property (Bluegrass Downs Facility)

BLUEGRASS DOWNS - TRACT 3

TRACT 3:

(Map Number 095-10-00-014.01)

Being Parcel B, containing 9.480 acres more or less, as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, McCracken County Clerk’s Office, and being more particularly described as follows:

Being a tract of land located North of U.S. Highway 60 or Park Avenue and West of Metcalf Lane in the City of Paducah, McCracken County, Kentucky, more particularly described as follows: Beginning at a steel rod, ½ inch in diameter by 30 inches line with a plastic cap stamped "KRLS 1842" (hereinafter referred to as a steel rod and cap) set at the Southeasterly corner of the herein described property, said steel rod and cap being located North 02° 25' 25" East, a distance of 714.83 feet from a mag nail set on the Northerly right of way line of U.S. Highway 60, with said mag nail being located North 87° 08' 15" West, a distance of 307.10 feet from a concrete right of way marker located at the intersection of said Northerly right of way line with the Westerly right of way line of Metcalf Lane; thence from said point of beginning proceed North 86° 34' 29" West along and with the Southerly line of the herein described parcel 328.86 feet to a rebar with a metal cap found at the Southwesterly corner of the subject site herein described; thence North 02° 31' 05" East, along and with the Westerly line of said site, 1,259.80 feet to a one inch diameter iron pipe found; the Northwesterly corner of the herein descried tract; thence South 86° 34' 19" East, a distance of 326.78 feet to a steel rod and cap set at the Northeasterly corner of the subject site; thence South 02° 25' 25" West, a distance of 1,259.82 feet to the point of beginning.

Together with a non-exclusive 40 foot wide easement for ingress and egress set forth in Agreement by and among Inez Johnson, Wayne Simpson and Players Bluegrass Downs, Inc. dated December 16, 1999 recorded Deed Book 929, Page 367, and as shown on as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, both in the McCracken County Clerk’s office.

Being the same property leased to by unrecorded lease dated May 22, 1987, by and between Inez Johnson and Coy Stacey and Bobby Dextor, the Original Lessees, and subsequently assigned to Bluegrass Downs of Paducah, Ltd., (“Successor Lessee”) by an unrecorded Assignment of Lease dated June 1, 1987, all as evidenced of record by Memorandum of Lease dated June 1, 1987, of record in Deed Book 703, page 373. Said Successor Lessee having assigned all of its right, title and interest in and to said Lease to Players Bluegrass Downs, Inc., a Kentucky corporation, by Assignment of Lease dated November 22, 1993, as evidenced of record by memorandum thereof recorded in Deed Book 801, page 405, and as further affected by Agreement between Inez Johnson and Players Bluegrass Downs, Inc., dated December 16, 1999, recorded in Deed Book 929, page 367, all in the aforesaid clerk’s office.

BLUEGRASS DOWNS - TRACT 4

TRACT 4:

(A part of Map Number 095-10-00-014)

Being Parcel A, containing 1.950 acres more or less, as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, McCracken County Clerk’s Office, and being more particularly described as follows:

Being a parcel of land located North of U.S. Highway 60 or Park Avenue and West of Metcalf Lane in the City of Paducah, McCracken County, Kentucky, more particularly described as follows:

Beginning at a steel rod, ½” diameter by 30" long with a plastic cap stamped "KRLS 1842" set at the time of this survey (hereinafter referred to as a steel rod and cap) at the Southeasterly corner of the herein described property, said steel rod and cap being located N. 02°-25'-25" E., a distance of 229.35 feet from a mag. Nail set on the Northwesterly right-of-way line of U.S. Highway 60 with said Mag. Nail being located N. 87°-08'-15" W., as distance of 307.10 feet from a concrete right-of-way marker located at the intersection of said Northerly right-of-way line with the Westerly right-of-way line of Metcalf Lane; thence from said point of beginning proceed N. 87°-55'-41" W. along and with the Southwestly line of the herein described parcel and with an existing six foot high chain link fence, 167.45 feet to a steel rod and cap set at the Southwesterly corner of the herein described property; thence N 25°-31'-05" W. and continuing along and with said chain-link fence, a distance of 20.17 feet to a steel rod and cap set on the Westerly line of the herein described parcel of land, thence N 03°03'-47" E. along and with the Westerly line aforesaid and continuing along and with the chain-link fence aforesaid, 471.72 feet to a steel road and cap set, the Northwesterly corner of the subject property; thence S 86°-34'-29" E. along and with the Northerly line of said subject site, 171.66 feet to a steel rod and cap set, the Northeasterly corner of said site; thence S 02°-25'-25" W. along and with an existing six foot high chain-link fence, 485.48 feet to the point of beginning.

Together with a non-exclusive 40 foot wide easement for ingress and egress set forth in Agreement by and among Inez Johnson, Wayne Simpson and Players Bluegrass Downs, Inc. dated December 16, 1999 recorded Deed Book 929, Page 367, and as shown on as shown on Waiver of Subdivision, Plat of Survey for Harrah's Entertainment recorded on January 11, 2000 in Plat Section L, Page 404, both in the Office aforesaid.

Being the same property leased to Wayne Simpson and Gloria Simpson from Inez Johnson, by unrecorded lease dated July 31, 1987, and assigned to Players Bluegrass Downs, Inc., by Assignment of Lease dated June 13, 1994, of record in Deed Book 805, Page 423, in the office aforesaid, and as amended by Agreement between Inez Johnson, Wayne Simpson and Gloria Simpson, husband and wife, and Players Bluegrass Downs, Inc., dated December 16, 1999, recorded in Deed Book 929, Page 343, all in the office aforesaid.

Annex D

Ground Leases (Bluegrass Downs Facility)

Bluegrass Downs

Lease Agreement dated as of May 22, 1987, by and between the Inez Johnson, as landlord, and Coy Stacey and Bobby Dexter, as tenant, as assigned to Bluegrass Downs of Paducah, LTD, as of June 1, 1987, as further assigned to Players Bluegrass Downs, Inc. as of November 22, 1993

Leases dated as of July 31, 1987, by and between the Inez Johnson, as landlord, and Wayne and Gloria Simpson, as tenant, as assigned to Players Bluegrass Downs Inc., as of December 16, 1999, and as extended by that certain Extension of Lease Agreement dated as of September 8, 2017

Exhibit 31.1

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

I, Thomas R. Reeg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caesars Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2021

/s/ THOMAS R. REEG

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

Exhibit 31.2

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

I, Bret Yunker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caesars Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2021

/s/ BRET YUNKER

Bret Yunker
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION
of
Thomas R. Reeg
Chief Executive Officer

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

1. The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2021 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2021

/s/ THOMAS R. REEG
Thomas R. Reeg
Chief Executive Officer

Exhibit 32.2

CERTIFICATION
of
Bret Yunker
Chief Financial Officer

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

1. The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2021 (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2021

/s/ BRET YUNKER
Bret Yunker
Chief Financial Officer

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

Exhibit. Supplemental Consolidating Financial Information

The following tables present the balance sheets as of September 30, 2021 and December 31, 2020, statements of operations and cash flows for the three and nine months ended September 30, 2021 and 2020, and Adjusted EBITDA for the three and nine months ended September 30, 2021 of Caesars Resort Collection, LLC ("CRC"), as it consolidates into CEI as a wholly-owned subsidiary. "Other Operations, Eliminations" presents the operations of CEI's other subsidiaries, including eliminations of intercompany transactions. CEI consolidated balances do not include CRC until the period starting from July 20, 2020. The tables have been recast for all periods presented as Horseshoe Hammond no longer met the held for sale criteria in September 2021. See further discussion in Note 1 - Basis of Presentation, of Caesars Entertainment, Inc.'s quarterly report for the quarter ended September 30, 2021 on Form 10-Q. Additionally, reclassifications to Discontinued operations have not been presented for periods prior to the Merger.

The consolidating condensed balance sheets as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021			December 31, 2020		
(In millions)	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 877	$ 195	$ 1,072	$ 392	$ 1,384	$ 1,776
Restricted cash and investments	22	280	302	9	2,012	2,021
Accounts receivable, net	341	97	438	267	75	342
Due from affiliates	—	—	—	613	(569)	44
Inventories	33	12	45	30	14	44
Prepayments and other current assets	149	107	256	159	94	253
Assets held for sale	25	3,787	3,812	871	712	1,583
Total current assets	1,447	4,478	5,925	2,341	3,722	6,063
Investments in and advances to unconsolidated affiliates	—	203	203	—	173	173
Property and equipment, net	11,744	2,785	14,529	12,165	2,570	14,735
Gaming rights and other intangibles, net	3,378	1,875	5,253	3,181	1,102	4,283
Goodwill	9,014	1,953	10,967	9,013	851	9,864
Other assets, net	1,469	616	2,085	1,443	(176)	1,267
Total assets	$ 27,052	$ 11,910	$ 38,962	$ 28,143	$ 8,242	$ 36,385
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable	$ 147	$ 193	$ 340	$ 112	$ 55	$ 167
Accrued interest	124	92	216	46	183	229
Accrued other liabilities	1,019	667	1,686	851	412	1,263
Due to affiliates	313	(313)	—	12	(12)	—
Current portion of long-term debt	67	3	70	67	—	67
Liabilities related to assets held for sale	11	2,655	2,666	548	239	787
Total current liabilities	1,681	3,297	4,978	1,636	877	2,513
Long-term financing obligation	11,171	1,240	12,411	11,064	1,231	12,295
Long-term debt	7,576	6,877	14,453	8,304	5,769	14,073
Long-term debt to related party	15	(15)	—	15	(15)	—
Deferred income taxes	1,455	(258)	1,197	1,223	(57)	1,166
Other long-term liabilities	574	396	970	682	622	1,304
Total liabilities	22,472	11,537	34,009	22,924	8,427	31,351
STOCKHOLDERS' EQUITY:						
Caesars stockholders' equity	4,570	320	4,890	5,202	(186)	5,016
Noncontrolling interests	10	53	63	17	1	18
Total stockholders' equity	4,580	373	4,953	5,219	(185)	5,034
Total liabilities and stockholders' equity	$ 27,052	$ 11,910	$ 38,962	$ 28,143	$ 8,242	$ 36,385

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

The consolidating condensed statements of operations for the three months ended September 30, 2021 and 2020 are as follows:

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
(In millions)	CRC	Other Operations, Eliminations	CEI Consolidated	CRC [(a)]	Other Operations, Eliminations	CEI Consolidated
REVENUES:						
Casino and pari-mutuel commissions	$ 1,042	$ 468	$ 1,510	$ 828	$ 153	$ 981
Food and beverage	295	52	347	117	10	127
Hotel	423	88	511	179	21	200
Other	283	34	317	150	(15)	135
Net revenues	2,043	642	2,685	1,274	169	1,443
EXPENSES:						
Casino and pari-mutuel commissions	464	366	830	432	61	493
Food and beverage	175	35	210	87	5	92
Hotel	104	26	130	60	3	63
Other	109	5	114	70	(17)	53
General and administrative	326	160	486	308	30	338
Corporate	70	16	86	70	20	90
Depreciation and amortization	218	58	276	225	—	225
Transaction costs and other operating costs	14	7	21	118	102	220
Total operating expenses	1,480	673	2,153	1,370	204	1,574
Operating income (loss)	563	(31)	532	(96)	(35)	(131)
OTHER EXPENSE:						
Interest expense, net	(421)	(158)	(579)	(422)	(63)	(485)
Loss on extinguishment of debt	(107)	(10)	(117)	—	(173)	(173)
Other income (loss)	(1)	(152)	(153)	(8)	17	9
Total other expense	(529)	(320)	(849)	(430)	(219)	(649)
Income (loss) from continuing operations before income taxes	34	(351)	(317)	(526)	(254)	(780)
Benefit (provision) for income taxes	(1)	91	90	(189)	51	(138)
Net income (loss) from continuing operations, net of income taxes	33	(260)	(227)	(715)	(203)	(918)
Discontinued operations, net of income taxes	10	(14)	(4)	(7)	—	(7)
Net income (loss)	43	(274)	(231)	(722)	(203)	(925)
Net income attributable to noncontrolling interests	(1)	(1)	(2)	(1)	—	(1)
Net income (loss) attributable to Caesars	$ 42	$ (275)	$ (233)	$ (723)	$ (203)	$ (926)

[(a)] *In connection with the Merger, CEOC, LLC has been contributed to CRC and the results for the periods presented have been recast as the contribution was between entities under common control.*

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

The consolidating condensed statements of operations for the nine months ended September 30, 2021 and 2020 are as follows:

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
(In millions)	**CRC**	**Other Operations, Eliminations**	**CEI Consolidated**	**CRC [a]**	**Other Operations, Eliminations**	**CEI Consolidated**
REVENUES:						
Casino and pari-mutuel commissions	$ 2,979	$ 1,329	$ 4,308	$ 1,979	$ (557)	$ 1,422
Food and beverage	677	120	797	470	(280)	190
Hotel	930	192	1,122	527	(270)	257
Other	669	83	752	460	(286)	174
Net revenues	5,255	1,724	6,979	3,436	(1,393)	2,043
EXPENSES:						
Casino and pari-mutuel commissions	1,339	772	2,111	1,206	(489)	717
Food and beverage	401	83	484	388	(234)	154
Hotel	256	61	317	199	(108)	91
Other	250	12	262	243	(180)	63
General and administrative	896	388	1,284	867	(364)	503
Corporate	171	57	228	167	(47)	120
Impairment charges	—	—	—	65	96	161
Depreciation and amortization	676	166	842	724	(400)	324
Transaction costs and other operating costs	51	62	113	155	88	243
Total operating expenses	4,040	1,601	5,641	4,014	(1,638)	2,376
Operating income (loss)	1,215	123	1,338	(578)	245	(333)
OTHER EXPENSE:						
Interest expense, net	(1,255)	(479)	(1,734)	(1,058)	438	(620)
Loss on extinguishment of debt	(107)	(33)	(140)	—	(173)	(173)
Other income (loss)	(5)	(171)	(176)	(14)	13	(1)
Total other expense	(1,367)	(683)	(2,050)	(1,072)	278	(794)
Income (loss) from continuing operations before income taxes	(152)	(560)	(712)	(1,650)	523	(1,127)
Benefit (provision) for income taxes	71	96	167	(4)	(63)	(67)
Net income (loss) from continuing operations, net of income taxes	(81)	(464)	(545)	(1,654)	460	(1,194)
Discontinued operations, net of income taxes	(22)	(16)	(38)	(7)	—	(7)
Net income (loss)	(103)	(480)	(583)	(1,661)	460	(1,201)
Net (income) loss attributable to noncontrolling interests	(2)	—	(2)	3	(4)	(1)
Net income (loss) attributable to Caesars	$ (105)	$ (480)	$ (585)	$ (1,658)	$ 456	$ (1,202)

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[a] *In connection with the Merger, CEOC, LLC has been contributed to CRC and the results for the periods presented have been recast as the contribution was between entities under common control.*

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

The consolidating condensed statements of cash flows for the nine months ended September 30, 2021 and 2020 are as follows:

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
(In millions)	**CRC**	**Other Operations, Eliminations**	**CEI Consolidated**	**CRC [(a)]**	**Other Operations, Eliminations**	**CEI Consolidated**
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net cash provided by (used in) operating activities	$ 1,729	$ (755)	$ 974	$ (713)	$ 510	$ (203)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property and equipment, net	(189)	(124)	(313)	(246)	151	(95)
Former Caesars acquisition, net of cash acquired.	—	—	—	—	(6,357)	(6,357)
Acquisition of William Hill, net of cash acquired	—	(1,551)	(1,551)	—	—	—
Purchase of additional interest in Horseshoe Baltimore, net of cash consolidated	—	(5)	(5)	—	—	—
Acquisition of gaming rights and trademarks	(262)	(20)	(282)	(65)	45	(20)
Proceeds from sale of businesses, property and equipment, net of cash sold	289	420	709	9	222	231
Proceeds from the sale of investments	—	206	206	—	—	—
Proceeds from insurance related to property damage	—	44	44	—	—	—
Investments in unconsolidated affiliates	—	(39)	(39)	—	(1)	(1)
Net cash used in investing activities	(162)	(1,069)	(1,231)	(302)	(5,940)	(6,242)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from long-term debt and revolving credit facilities	108	1,200	1,308	3,817	5,948	9,765
Repayments of long-term debt and revolving credit facilities	(1,048)	(77)	(1,125)	(2,396)	(430)	(2,826)
Cash paid to settle convertible notes	—	(367)	(367)	—	(574)	(574)
Proceeds from sale-leaseback financing arrangement	—	—	—	3,219	—	3,219
Financing obligation payments	—	—	—	(58)	9	(49)
Transactions with parent	(117)	117	—	(4,384)	4,384	—
Debt issuance and extinguishment costs	—	(42)	(42)	—	(356)	(356)
Proceeds from issuance of common stock	—	—	—	—	772	772
Taxes paid related to net share settlement of equity awards	—	(33)	(33)	—	(8)	(8)
Net cash (used in) provided by financing activities	(1,057)	798	(259)	198	9,745	9,943
CASH FLOWS FROM DISCONTINUED OPERATIONS:						
Cash flows from operating activities	(16)	(39)	(55)	4	(1)	3
Cash flows from investing activities	(2)	(1,451)	(1,453)	(3)	—	(3)
Cash flow from financing activities	—	591	591	—	—	—
Net cash from (used in) discontinued operations	(18)	(899)	(917)	1	(1)	—
Change in cash, cash equivalents, and restricted cash classified as assets held for sale	—	10	10	(77)	77	—
Effect of foreign currency exchange rates on cash	—	31	31	—	—	—
Increase (decrease) in cash, cash equivalents and restricted cash	492	(1,884)	(1,392)	(893)	4,391	3,498
Cash, cash equivalents and restricted cash, beginning of period	411	3,869	4,280	1,422	(1,205)	217
Cash, cash equivalents and restricted cash, end of period	$ 903	$ 1,985	$ 2,888	$ 529	$ 3,186	$ 3,715

[(a)] *In connection with the Merger, CEOC, LLC has been contributed to CRC and the results for the periods presented have been recast as the contribution was between entities under common control.*

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

The reconciliations of net income (loss) attributable to Caesars to Adjusted EBITDA for the three and nine months ended September 30, 2021 are as follows:

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
(In millions)	**CRC**	**Other Operations, Eliminations**	**CEI Consolidated**	**CRC**	**Other Operations, Eliminations**	**CEI Consolidated**
Net income (loss) attributable to Caesars	$ 42	$ (275)	$ (233)	$ (105)	$ (480)	$ (585)
Net income attributable to noncontrolling interests	1	1	2	2	—	2
Discontinued operations, net of income taxes	(10)	14	4	22	16	38
Benefit for income tax	1	(91)	(90)	(71)	(96)	(167)
Other (income) loss	1	152	153	5	171	176
Loss on extinguishment of debt	107	10	117	107	33	140
Interest expense	421	158	579	1,255	479	1,734
Depreciation and amortization	218	58	276	676	166	842
Transaction costs and other operating costs	14	7	21	51	62	113
Stock-based compensation expense	18	3	21	37	27	64
Other items	10	10	20	32	20	52
Adjusted EBITDA	$ 823	$ 47	$ 870	$ 2,011	$ 398	$ 2,409