

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2022

OR

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

For the transition period from

to  
Commission File No. 001-36629

**CAESARS ENTERTAINMENT, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

46-3656781  
(I.R.S. Employer  
Identification No.)

100 West Liberty Street, 12th Floor  
Reno, Nevada 89501

(Address of principal executive offices)

Telephone: (775) 328-0100

(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, \$.00001, par value	CZR	NASDAQ Stock Market

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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

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

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

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

If an emerging growth company, indicate by checkmark 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that require a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to Section §240.10D-1(b).

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

The aggregate market value of the common stock held by non-affiliates of the Registrant was \$7.8 billion at June 30, 2022 based upon the closing price for the shares of CZR's common stock as reported by The Nasdaq Stock Market.

As of February 16, 2023, there were 215,180,664 outstanding shares of the Registrant's Common Stock, net of treasury shares.

**Documents Incorporated by Reference**

Portions of the Registrant's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A in connection with the Registrant's Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this report. Such Proxy Statement will be filed with the Commission not later than 120 days after the conclusion of the Registrant's fiscal year ended December 31, 2022.

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**CAESARS ENTERTAINMENT, INC.**  
**ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022**  
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## PART I

*In this filing, Caesars Entertainment, Inc., a Delaware corporation, and its subsidiaries may be referred to as the “Company,” “CEI,” “Caesars,” “we,” “us” or “our” or the “Registrant.”*

*We also refer to (i) our Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss) as our “Statements of Operations,” (iii) our Consolidated Balance Sheets as our “Balance Sheets,” and (iv) our Consolidated Statements of Cash Flows as our “Statements of Cash Flows,” which are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). References to numbered “Notes” refer to Notes to our Consolidated Financial Statements included in Item 8.*

### Item 1. Business

#### Overview

We are a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. Beginning in 2005, we grew through a series of acquisitions, including the acquisition of MTR Gaming Group, Inc. in 2014, Isle of Capri Casinos, Inc. in 2017 and Tropicana Entertainment, Inc. in 2018 and a merger with Caesars Entertainment Corporation (“Former Caesars”) on July 20, 2020, pursuant to which Former Caesars became our wholly-owned subsidiary (the “Merger”) and our ticker symbol on the NASDAQ Stock Market changed from “ERI” to “CZR”. In addition, on April 22, 2021, we completed the acquisition of William Hill PLC (the “William Hill Acquisition”).

Our primary source of revenue is generated by casino properties’ gaming operations, including retail and online sports betting, as well as online gaming, and we utilize our hotels, restaurants, bars, entertainment, racing, retail shops and other services to attract customers to our properties.

As of December 31, 2022, we own, lease or manage an aggregate of 51 domestic properties in 16 states with approximately 52,800 slot machines, video lottery terminals and e-tables, approximately 2,800 table games and approximately 47,200 hotel rooms. We also operate and conduct sports wagering across 28 jurisdictions in North America, 20 of which are mobile for sports betting, and operate regulated online real money gaming in six jurisdictions in North America. We continue to expand into additional markets as jurisdictions legalize forms of retail and online gaming and sports betting. 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. We lease certain real property assets from third parties, including GLP Capital, L.P., the operating partnership of Gaming and Leisure Properties, Inc. (“GLPI”) and VICI Properties L.P., a Delaware limited partnership (“VICI”). See Item 2, “Properties,” for more information about our properties.

#### Significant Transactions in 2022

On April 22, 2021, we completed the acquisition of William Hill PLC for £2.9 billion, or approximately \$3.9 billion with the intent to divest William Hill PLC’s non-U.S. operations, which included the United Kingdom and international online divisions and the retail betting shops (collectively, “William Hill International”). We entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion which, on April 7, 2022, we amended for a revised enterprise value of approximately £2.0 billion. The amended agreement reflected a £250 million reduction in consideration payable at closing and up to £100 million of deferred consideration to be paid to Caesars, subject to 888 Holdings Plc meeting certain 2023 financial targets. During the year ended December 31, 2022, we recorded impairments to assets held for sale of \$503 million within discontinued operations based on the revised and final sales prices.

On July 1, 2022, we completed the sale of William Hill International to 888 Holdings Plc and outstanding borrowings under the Bridge Credit Agreement, between the Company and certain lenders party thereto and Deutsche Bank AG, London Branch as administrative agent and collateral agent, were immediately repaid. After the repayment of the Bridge Credit Agreement, other permitted leakage, and the settlement of related forward contracts, we received net proceeds of \$730 million. Including open market repurchases and repayments, we utilized all \$730 million to reduce our outstanding debt.

On May 5, 2022, we consummated the sale of the equity interests of Belle of Baton Rouge Casino & Hotel (“Baton Rouge”) to CQ Holding Company, Inc., subject to customary closing conditions, resulting in a loss of \$3 million. Baton Rouge was within the Regional segment.

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### Developments related to COVID-19

Despite the resurgence of the COVID-19 Omicron variant at the beginning of the year, operations at many of our properties experienced positive trends during much of the year ended December 31, 2022, including higher hotel occupancy, particularly in Las Vegas, and increased gaming and food and beverage volumes. The reduction in mandates and restrictions, combined with pent up consumer demand and supplemental discretionary spend from governmental stimulus, resulted in strong results across our properties during 2021. Future variants, mandates or restrictions imposed by various regulatory bodies are uncertain and could have a significant impact on our future operations.

### **Business Operations**

Our consolidated business is composed of complementary businesses that reinforce, cross-promote, and build upon each other: casino, which includes our online sports betting and iGaming, food and beverage, hotel, casino management services, entertainment, retail and other business operations.

#### Casino Operations

Our casino operations generate revenues from approximately 52,800 slot machines, 2,800 table games, including poker, sports betting from our retail and online sportsbooks, iGaming and other games such as keno, all of which comprised approximately 55% of our total net revenues in 2022. Slot revenues generate the majority of our casino revenues.

#### Online Sports Betting and iGaming

As a result of our acquisition of William Hill PLC on April 22, 2021, we significantly expanded our online sports betting and iGaming presence. We operate and conduct sports wagering across 28 jurisdictions in North America as of December 31, 2022. Additionally, we operate regulated online real money gaming businesses in six jurisdictions in North America and continue to leverage the World Series of Poker (“WSOP”) brand, and license the WSOP trademarks for a variety of products and services. We offer hundreds of online casino games including slots, table games, live dealer and video poker and we expect to increase our product offerings as iGaming is legalized in additional states.

Extensive usage of digital platforms, continued legalization in additional jurisdictions, and growing bettor demand are driving the market for online sports betting platforms in the United States and the William Hill Acquisition positioned us to address this growing market.

On August 2, 2021, we launched our Caesars Sportsbook app on our owned and integrated technology platform we have labeled Liberty (“Liberty”). We launched a significant marketing campaign with distinguished actors, athletes and media personalities promoting the launch of the Caesars Sportsbook app. The app offers extensive pre-match and live markets, extensive odds and flexible limits, player props, and same-game parlays. Caesars Sportsbook has partnerships with the NFL, NBA, NHL, MLB, and several individual teams, while being the exclusive odds provider for ESPN and CBS Sports. We have continued to create new partnerships among professional sports teams and, in 2021, entered into a 20-year exclusive naming-rights partnership branding the Caesars Superdome in New Orleans. In addition to the Caesars Sportsbook app, the Company and NYRABets LLC, the official online wagering platform of the New York Racing Association, Inc., launched the Caesars Racebook app. The Caesars Racebook app operates in eight states and provides access for pari-mutuel wagering at over 300 racetracks around the world as well as livestreaming of races. Wagers placed can earn credits towards the Caesars Rewards loyalty program or points which can be redeemed for free wagering credits. Growth in the Caesars Digital segment continues to be realized with the strategic expansion into new states as jurisdictions legalize retail and online sports betting and online horse race wagering.

*Sports Brand Partnerships* — Our strategy includes developing local and national partnerships that align our sportsbooks, casinos, resorts and brands with sports fans. We have high-profile exclusive sports entertainment partnerships with the NFL, making Caesars the first-ever “Official Casino Sponsor” in the history of the league. This historic partnership combines the NFL’s legendary events with our properties to bring unique experiences to Caesars’ patrons. This includes exclusive rights to use NFL trademarks to promote our properties and enabling Caesars to host exclusive special events and experiences. Caesars expects to continue to host brand activations at prominent, high-profile NFL events, including the NFL Draft, NFL playoffs, and the Super Bowl during this multi-year partnership.

#### Food and Beverage Operations

Our food and beverage operations generate revenues from our dining venues, bars, nightclubs, and lounges located throughout our casinos and represented approximately 15% of our total net revenues in 2022. Many of our properties include several dining options, ranging from upscale dining experiences to moderately-priced restaurants, some of which offer pickup or in-room delivery options.

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### Hotel Operations

Hotel operations generate revenues from hotel stays at our properties in our approximately 47,200 guest rooms and suites worldwide and represented approximately 18% of our total net revenues in 2022. Our properties operate at various price and service points, allowing us to host a variety of casino guests, who are visiting our properties for gaming and other casino entertainment options, and non-casino guests who are visiting our properties for other purposes, such as vacation travel or conventions.

### Management and Branding Arrangements

We earn revenue from fees paid for the management of domestic and international hotels and casinos. Managed properties represent Caesars-branded properties where we provide certain staffing and management services under management agreements. In addition, we authorize the use of certain brands and marks of Caesars Entertainment, Inc from which we earn revenue from fees received based on the arrangements.

### Entertainment and Other Non-Gaming Operations

We provide a variety of retail and entertainment offerings at our properties. We operate various entertainment venues across the United States, including the Colosseum at Caesars Palace and Zappos Theater at Planet Hollywood. These award-winning entertainment venues host or have announced plans to host, prominent headliners, such as Garth Brooks, Sting, Keith Urban and Miranda Lambert.

The LINQ Promenade is an open-air dining, entertainment, and retail development located between The LINQ Hotel & Casino and Flamingo Las Vegas, which features The High Roller, a 550-foot observation wheel, and Fly LINQ, the first and only zipline on the Las Vegas Strip. The retail stores offer guests a wide range of options from high-end brands and accessories to souvenirs and decorative items.

CAESARS FORUM is a 550,000 square-foot state-of-the-art conference center located at the center of the Las Vegas Strip. CAESARS FORUM can accommodate more than 10,000 participants and features more than 300,000 square feet of flexible meeting space, the two largest pillarless ballrooms in the world, a LEED silver-rated FORUM Plaza, and the first 100,000 square-foot outdoor meeting and event space in Las Vegas.

## **Market Activities**

### Trends

*Economic Factors Impacting Discretionary Spending* — Gaming and other leisure activities we offer represent discretionary expenditures which may be sensitive to economic downturns. The resurgence of the Omicron variant of COVID-19 continued to impact the beginning of the year, however, many of our properties experienced positive trends during much of the year ended December 31, 2022 including higher hotel occupancy and rates, particularly in Las Vegas, and increased gaming and food and beverage volumes coupled with improved product mix. During 2021, mandates and restrictions on maximum capacities and amenities available were eased, discretionary consumer spending was supplemented via governmental stimulus, and pent-up consumer demand from the prolonged impact of COVID-19 resulted in strong results across our properties.

We continue to monitor the effects of recent inflation and the possible implications on certain customers most affected by lower discretionary income. Although we have seen periods of reduced visitation from those customers, visitation from customers who are not as affected by inflation remains steady or has slightly improved. In addition, our leases with VICI are impacted by inflation as they are subject to annual escalators based on the Consumer Price Index (“CPI”).

We are also continuing to monitor rising interest rates which have a direct impact on certain of our debt instruments, in addition to an effect on consumer spending. We evaluate projected changes in interest rates when entering into borrowing arrangements and manage our mix of fixed versus variable debt.

We continue to manage the prolonged impact of COVID-19 on the economy, our industry and our Company, with challenges arising at times from labor shortages, supply chain disruptions, increased costs of goods and services, among other impacts. Further discussion of the effects of these trends are described throughout this Form 10-K. The extent and duration of these trends is uncertain and may intensify.

*Online Betting and Gaming* — Online betting and gaming is a rapidly developing sector of the e-commerce industry and we believe the digital segment of the global betting and gaming industry will continue to grow in popularity and consumer confidence. The market for online betting platforms is being driven by the increased use of digital processes and global, growing bettor demand. We anticipate that the United States market will begin to have a strong and steady uptake in active

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wagers as state-by-state legislation in the United States continues to evolve resulting in new opportunities in the United States sports betting market. The extent and future effects of online betting and gaming on our casino properties is uncertain but we expect that our online betting and gaming offering will be complementary to our brick-and-mortar casino business.

### Competition

The casino entertainment business is highly competitive. The industry is comprised of a diverse group of competitors that vary considerably in size and geographic diversity, quality of facilities and amenities available, marketing and growth strategies, and financial condition. In most regions, we compete directly with other casino facilities operating in the immediate and surrounding areas. In Las Vegas, our largest jurisdiction, competition is expected to increase in the coming years. In response to changing trends, Las Vegas operators have been focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. There have also been proposals for other large scale gaming and non-gaming development projects in Las Vegas by various other developers. Our Las Vegas Strip hotels and casinos also compete, in part, with each other.

In recent years, many casino operators, including us, have been reinvesting in existing facilities, developing or rebranding new casinos or complementary facilities, and acquiring established facilities. These reinvestment and expansion efforts combined with aggressive marketing strategies by us and many of our competitors have resulted in increased competition in many regions. As companies have completed new expansion projects, supply has grown at a faster pace than demand in some areas. The expansion of properties and entertainment venues into new jurisdictions also presents competitive issues.

Our properties also compete with legalized gaming from casinos located on Native American tribal lands. While the competitive impact on operations in Las Vegas from the continued growth of Native American gaming establishments in California remains uncertain, the proliferation of gaming in California and other areas located in the same regions as our properties could have an adverse effect on our results of operations. In some instances, particularly in the case of Native American casinos, our competitors pay lower taxes or no taxes. In addition, certain states have legalized, and others may legalize, casino gaming in specific areas, including metropolitan areas from which we traditionally attract customers. These factors create additional challenges for us in competing for customers and accessing cash flow or financing to fund improvements for our casino and entertainment products that enable us to remain competitive.

We also compete with other non-gaming resorts and vacation areas, various other entertainment businesses, and other forms of gaming, such as state lotteries, on-track and off-track wagering, video lottery terminals, and card parlors. Our non-gaming offerings also compete with other retail facilities, amusement attractions, food and beverage offerings, and entertainment venues. Internet gaming and sports betting also create additional competition for our brick-and-mortar operations.

We face significant competition in our online sports betting, online horse racing wagering and iGaming businesses in jurisdictions where we currently operate and those jurisdictions in which we wish to expand. Although we have experienced recent success in obtaining approval for sports betting and iGaming licenses in new jurisdictions, new state launches may require significant upfront investment and may not be successful.

### **Resources Material to Business**

#### Rewards Programs

We believe Caesars Rewards, with a network of more than 60 million people, enables us to compete more effectively and capture a larger share of our customers' entertainment spending when they travel among regions or engage in online wagering and gaming versus that of a standalone property, which is core to our cross-market strategy.

Caesars Rewards members earn Reward Credits for qualifying gaming activities, including sports betting, online gaming and wagering in the Caesars Sportsbook and Caesars Racebook apps. Members also earn Reward Credits for qualifying hotel, dining and retail spending at all Caesars Entertainment destinations in the United States and Canada. Additionally, Reward Credits are earned when members use their Caesars Rewards VISA credit card or make a purchase through a Caesars Rewards partner. Members can redeem their earned Reward Credits for those same experiences.

Caesars Rewards is a tier based loyalty program (designated as Gold, Platinum, Diamond, Diamond Plus, Diamond Elite or Seven Stars), each with increasing benefits and privileges. Members are provided promotional offers based on their tier level, their retail and gaming engagement at Caesars Entertainment destinations, and their preferred spending choices outside of gaming. Member information is also used in connection with various marketing promotions, including campaigns involving direct mail, email, our websites, mobile devices, social media, and interactive slot machines.

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## Intellectual Property and Resources

We use a variety of trade names, service marks, trademarks, patents and copyrights in our operations and believe that we have the rights necessary to conduct our continuing operations. The development of intellectual property is part of our overall business strategy. We regard our intellectual property to be an important element of our success. We file applications for and obtain patents, trademarks and copyrights in the United States and foreign countries where we believe filing for such protection is appropriate. While our business as a whole is not substantially dependent on any one patent, trademark, or copyright, we seek to establish and maintain our proprietary rights in our business operations and technology through the use of patents, trademarks, copyrights, and trade secret laws. We also seek to maintain our trade secrets and confidential information by nondisclosure policies and through the use of appropriate confidentiality agreements. Our United States patents have varying expiration dates.

We have not applied for the registration of all of our trademarks, copyrights, proprietary technology, or other intellectual property rights, as the case may be, and may not be successful in obtaining all intellectual property rights for which we have applied. Despite our efforts to protect our proprietary rights, parties may infringe upon our intellectual property and use information that we regard as proprietary, and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights or intellectual property to as great of an extent as do the laws of the United States. In addition, others may independently develop substantially equivalent intellectual property.

We own or have the right to use proprietary rights to a number of trademarks that we consider, along with the associated name recognition, to be valuable to our business, including Eldorado, Silver Legacy, Isle, Lady Luck, Tropicana, Circus Circus, Caesars, Flamingo, Harrah's, Horseshoe, Paris, Planet Hollywood, Caesars Rewards, Caesars Sportsbook, William Hill and WSOP.

As of December 31, 2022, our Caesars Sportsbook app is powered by our Liberty platform in 20 mobile sports betting jurisdictions. The Liberty platform resulted in a significant upgrade to our user interface and significant product upgrades including numerous pre-match and live markets, extensive odds and flexible limits, player props, and same-game parlays. Our Liberty platform also integrates customers with the Caesars Rewards loyalty program. We continue to use legacy sportsbook and iGaming platforms in certain states. In addition to the Caesars Sportsbook app, we and NYRABets LLC, the official online wagering platform of the New York Racing Association, Inc., launched the Caesars Racebook app. The Caesars Racebook app provides access for pari-mutuel wagering at over 300 racetracks around the world. Wagers placed can earn credits towards the Caesars Rewards loyalty program.

## **Industry Overview**

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." See also Exhibit 99.1, "Gaming Overview," to this Annual Report on Form 10-K, which is incorporated herein by reference.

## **Seasonality**

We believe that business at our regional properties outside of Las Vegas is subject to seasonality, including seasonality based on the weather in the region in which they operate and the travel habits of visitors. Business in our properties can also fluctuate due to specific holidays or other significant events, particularly when a holiday falls in a different quarter than the prior year, the timing of the WSOP tournament (with respect to our Las Vegas properties), city-wide conventions, large sporting events or concerts, or visits by our premium players. We also believe that any seasonality, holiday, or other significant event may affect our various properties or regions differently. We may also experience seasonality with retail and online sports betting which coincides with certain sporting events, as well as seasons of professional sports teams.

## **Gaming Licenses and Governmental Regulations**

The gaming and racing industries are highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. We are subject to extensive regulation under laws, rules and supervisory procedures. These laws, rules and regulations generally concern the responsibility, financial stability and characters of the owners, managers, and persons with financial interests in the gaming operations. If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could have a significant adverse effect on us. From time to time, various proposals have been introduced in legislatures of jurisdictions in which we have operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry and us. We do not know whether or when such legislation will be enacted. Gaming companies are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes, and such taxes and fees are subject to increase at any time. Any material increase in these taxes or fees could adversely affect us.

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Some jurisdictions, including those in which we are licensed, empower their regulators to investigate participation by licensees in gaming outside their jurisdiction and require access to periodic reports respecting those gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

Under provisions of gaming laws in jurisdictions in which we have operations, and under our organizational documents, certain of our securities are subject to restriction on ownership which may be imposed by specified governmental authorities. The restrictions may require a holder of our securities to dispose of the securities or, if the holder refuses, or is unable to dispose of the securities, we may be required to repurchase the securities.

A more detailed description of the regulations to which we are subject is contained in Exhibit 99.1 to this Annual Report on Form 10-K, which is incorporated herein by reference.

#### Internal Revenue Service Regulations

The Internal Revenue Service requires operators of casinos and online sports betting apps located in the United States to file information returns for U.S. citizens, including names and addresses of winners for certain table games, keno, bingo, slot machine and retail and online sports betting winnings in excess of stipulated amounts. The Internal Revenue Service also requires operators to withhold taxes on some table games, keno, bingo, slot machine and retail and online sports betting winnings of nonresident aliens. We are unable to predict the extent to which these requirements, if extended, might impede or otherwise adversely affect operations of, and/or income from, other games.

Regulations adopted by the Financial Crimes Enforcement Network of the Treasury Department (“FINCEN”) requires the reporting of currency transactions in excess of \$10,000 occurring within a gaming day, including identification of the patron by name and social security number. This reporting obligation began in May 1985 and may have resulted in the loss of gaming revenues to jurisdictions outside the United States which are exempt from the ambit of these regulations. In addition to currency transaction reporting requirements, suspicious financial activity is also required to be reported to FINCEN.

#### Other Laws and Regulations

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

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

We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results. See Item 1A, “Risk Factors,” for additional discussion.

#### Taxation

Gaming companies are typically subject to significant taxes and fees in addition to normal federal, state and local income taxes, and such taxes and fees are subject to increase at any time. We pay substantial taxes and fees with respect to our operations. From time to time, federal, state, local and provincial legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. It is not possible to determine with certainty the likelihood of changes in tax laws or in the administration of such laws.

#### Environmental Matters

We are subject to various federal, state and local environmental, health and safety laws and regulations, including but not limited to air quality, indoor air quality, water quality, bulk storage of regulated materials, and disposal of waste, including hazardous waste. Such laws and regulations can impose liability on potentially responsible parties (owner/operators of real property) to clean up, or contribute to the cost of cleaning up, sites at which regulated materials were disposed of or released. In addition to investigation and remediation liabilities that could arise under such laws and regulations, we could face personal injury, property damage, fines or other claims by third parties concerning environmental compliance, contamination or exposure to hazardous conditions. Environmental regulatory violations also include monetary penalties assessed by the

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jurisdictional regulatory agency and civil or criminal penalties for intentional negligence. Occasionally and under certain circumstances, we have investigated and remediated (or contributed to remediation costs) contamination located at or near our facilities. Examples included contamination related to underground storage tanks and groundwater contamination arising from prior uses of land on which certain facilities are located. In addition, we have and continue to contain, manage, and dispose of manure and wastewater generated by concentrated animal feeding operations due to our racetrack operations; manage, abate, or remove indoor air quality concerns such as mold, lead, or asbestos-containing materials; and manage operations within applicable environmental permitting requirements. Although we have incurred and expect to incur costs related to various environmental matters such as investigations, remediation, and management of hazardous materials or conditions known or discovered to exist at our properties, those costs have not had, and are not expected to have, a material adverse effect on our financial condition, results of operations or cash flow. However, such matters in the future could have a material adverse effect on our business.

### Climate Change

There has been an increasing focus of international, national, state, regional and local regulatory bodies on greenhouse gas (“GHG”), including carbon emissions, and climate change issues. The United States is a member of the Paris Agreement, a climate accord reached at the Conference of the Parties (“COP 21”) in Paris, that set many new goals, and many related policies are still emerging. The Paris Agreement requires set GHG emission reduction goals every five years beginning in 2020. Stronger GHG emission targets were set at COP 26 in Glasgow in November 2021.

Future regulation could impose stringent standards to substantially reduce GHG emissions. Legislation to regulate GHG emissions has periodically been introduced in the U.S. Congress. The current Administration has taken steps to further regulate GHG emissions. Those reductions could be costly and difficult to implement or estimate.

Beyond financial and regulatory effects, the projected severe effects of climate change – such as property damage or supply chain issues stemming from extreme weather events – has already and may continue to directly affect our facilities and operations. Caesars recognizes the impacts of climate change and is engaged in long-term initiatives to identify, assess, and manage the risks and opportunities associated with climate change (see “Environmental Stewardship” below).

### Reporting and Record-Keeping Requirements

We are required periodically to submit detailed financial and operating reports and furnish any other information about us and our subsidiaries that gaming authorities may require. We are required to maintain a current stock ledger that may be examined by gaming authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. Gaming authorities may, and in certain jurisdictions do, require certificates for our securities to bear a legend indicating that the securities are subject to specified gaming laws.

### **Human Capital Management**

We aim to provide a workplace that is engaging, empowering, inclusive and respectful for all employees (our “Team Members”), embracing a culture of openness, passion for service and recognition. Our ongoing investment in professional training and development, safety, health and wellbeing, and Team Member recognition linked to guest satisfaction are all important drivers of our success in delivering strong financial results and creating value for our communities. We have approximately 49,000 employees at our domestic properties throughout our organization.

### Labor Relations

Approximately 21,000 of our employees are covered by collective bargaining agreements with certain of our subsidiaries. The majority of these employees in various job positions are covered by the following agreements:

<b>Employee Group</b>	<b>Approximate Number of Active Employees Represented</b>	<b>Union</b>	<b>Date on which Collective Bargaining Agreement Becomes Amendable</b>
Las Vegas Culinary Employees	10,000	Culinary Workers Union, Local 226	May 31, 2023
Atlantic City Food & Beverage and Hotel Employees	2,700	UNITE HERE, Local 54	May 31, 2026
Las Vegas Dealers	2,000	United Auto Workers	September 30, 2023
Las Vegas Teamsters	1,200	Teamsters, Local 986	March 31, 2024
Las Vegas Bartenders	1,100	Bartenders Union, Local 165	May 31, 2023

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## Hiring and Development

We aim to support Team Members throughout their career with Caesars. We're committed to providing opportunities to help Team Members achieve their professional goals. We maintain a wide range of channels for diverse recruiting, including outreach to academic institutions and nonprofits that help us source diverse candidates. Our leadership receives training on our inclusive and equitable talent management recruitment and retention processes. Additionally, to support hiring initiatives across the enterprise, we maintain a recruiting website that includes information describing our culture, benefits and diversity initiatives. The website highlights our commitment to corporate social responsibility ("CSR") diversity, equity and inclusion ("DEI"), and we welcome candidates from all backgrounds.

We strive to inspire our Team Members through our mission, vision and values, and our Code of Commitment (described below). To evaluate our Team Member experience and our retention efforts, we monitor a number of Team Member measures, such as turnover rates and Team Member satisfaction. In 2021, we implemented new Team Member experience surveys to help us further understand the drivers of engagement and areas where we can improve. These surveys are completed on a regular basis alongside additional surveys targeted at specific events within a Team Member cycle, including new hires, anniversary milestones and exit inquiries.

Our compensation and benefits programs are designed to attract, retain and motivate our Team Members. In addition to competitive salaries and wages, we provide a variety of short-term, long-term and incentive-based compensation programs to reward performance relative to key metrics relevant to our business. We offer comprehensive benefit options including, but not limited to, retirement savings plans, health insurance coverage (including medical, mental health, dental, vision and pharmacy), parental leave, educational assistance, training opportunities, company-paid life insurance and an employee assistance program.

We place utmost importance on creating a safe workplace for our Team Members, embedding procedures so that all our Team Members have the awareness, knowledge and tools to make safe working a habit.

We also maintain a wellness program to help our Team Members improve their health and wellbeing. This program has demonstrated improved health metrics for participating Team Members and their covered family members helping reduce the cost of healthcare for Team Members and for the Company. Effective in 2022, we consolidated our group health plans and made significant enhancements to our offerings and wellness program including a wide range of affordable options, mental health initiatives and expanded onsite and virtual primary care clinics across the US.

## Diversity, Equity and Inclusion

We embrace diversity and aim to create an inclusive working environment that celebrates all our Team Members as individuals. Our diversity, equity and inclusion framework identifies five pillars of activity: advocacy, Team Members, suppliers, communities and guests for a holistic approach to embedding DEI in everything we do. We publish our DEI data in our annual CSR report (described below).

We set targets to increase the representation of women and people of color in leadership roles (supervisory and above). Our 2025 goals outlined 50% of management roles to be held by women in both the mid-level and senior leadership populations, and 50% of leadership roles to be held by people of color. We also committed to increase the representation of people of color in senior leadership roles by 50%. As of year-end, 45% of mid-level roles and 30% of senior leadership roles in the Company are held by women. Additionally, 43% of leadership roles are held by people of color and the representation of people of color in senior leadership positions has increased by 106%.

## **Corporate Social Responsibility**

Caesars' Board of Directors (the "Board") and senior executives view CSR as an integral element in the way we do business, with the belief that being a good corporate citizen helps protect the Company against risk, contributes to improved performance and helps foster positive relationships with all those with whom we connect. The Board and our executive management are committed to being an industry leader in CSR (which includes diversity, equity and inclusion, social impact, and environmental sustainability). In 2022, the Board and our leadership continued to engage with our CEO-level external CSR Advisory Board comprised of experts representing DEI, business strategy, academia and investors, and used their guidance to confirm our CSR priorities. These priorities are reflected in our 13th annual CSR report, published in 2022 in accordance with Global Reporting Initiative Standards.

## CSR Committee of the Board

Caesars' Board has a CSR committee that defines the duties and responsibilities of the Board in supporting delivery of our corporate purpose and CSR strategy as well as CSR-related aspects of corporate governance such as Board diversity.

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## Code of Commitment

Caesars is committed to being a responsible corporate citizen and environmental steward through our CSR strategy, PEOPLE PLANET PLAY. This is reflected in our Code of Commitment which is our public pledge to our guests, Team Members, communities, business partners and all those we reach that we will honor the trust they have placed in us through ethical conduct and integrity. We commit to:

- PEOPLE: Supporting the wellbeing of our Team Members, guests and local communities.
- PLANET: Taking care of the world we all call home.
- PLAY: Creating memorable experiences for our guests and leading responsible gaming practices in the industry.

## PEOPLE PLANET PLAY Strategy

Our PEOPLE PLANET PLAY strategy defines how we meet the obligations of our Code of Commitment and is aligned with global priorities articulated by the United Nations as the Sustainable Development Goals. PEOPLE PLANET PLAY establishes multi-year targets in key areas of impact, including science-based greenhouse gas emissions-reduction, formally approved by the Science Based Targets Initiative (“SBTi”), aligning with global best practices on climate change action. In early 2022, we conducted a comprehensive CSR assessment to evaluate our assumptions. We also used the assessment period to review our business transformations following the COVID-19 pandemic, along with expectations related to social justice and CSR. With the help of an external specialist, our assessment gathered input from internal and external stakeholders, reviewed multiple industry and environmental, social and governance (“ESG”) disclosures, standards and frameworks and yielded 21 material topics. This process allowed us to reassess the role our business plays in society, the way we impact people and the environment and the needs of our stakeholders. Our materiality assessment is available on our website at [www.investor.caesars.com](http://www.investor.caesars.com) within the ESG resource hub on our Corporate Social Responsibility page.

## Responsible Gaming

For more than thirty years, Caesars has maintained its Responsible Gaming (“RG”) program. We train tens of thousands of Team Members each year and a cadre of RG Ambassadors throughout our properties to identify guests in need of assistance and provide support. In recent years, Caesars has contributed to the National Center for Responsible Gaming, the National Council on Problem Gaming and other state programs to help advance responsible practices in the gaming industry. Caesars Digital also maintains responsible gaming programs tailored to each state in which it operates and offers users in-application RG tools such as time on device restrictions and wagering limits.

Caesars maintains a comprehensive risk-based Bank Secrecy Act (“BSA”) and Anti-Money Laundering (“AML”) program. It includes strong governance and effective internal controls and procedures to comply with applicable BSA requirements, regulatory guidance, and any related laws, and to take measures to prevent its affiliated casinos from being used for money laundering or other criminal activity. Execution of the program is governed with reference to FINCEN’s guidance on the Culture of Compliance. Caesars’ internal AML Policy, Know Your Customer Policy and BSA Identification Policy outline the Caesars AML Program and set the minimum standards for the related procedures and internal controls of the Caesars casino affiliates. Employees are required to complete annual trainings related company policies, including AML.

Caesars also maintains a Code of Ethics and Business Conduct (the “Code”) that includes standards designed to deter wrongdoing and to promote, amongst other standards, honest and ethical conduct and full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the Securities and Exchange Commission. Caesars’ Chief Legal Officer serves as the compliance officer of the Code and Caesars provides periodic training regarding the contents and importance of the Code.

Caesars also maintains an Amended and Restated Gaming Compliance Plan (the “Plan”), which is approved by various gaming regulators. The Plan is designed to implement procedures to enhance the likelihood that no activities of the Company or any affiliate of the Company will impugn the reputation and integrity of Caesars. The Plan also establishes a Compliance Committee that assists the Company in implementing its strict policy that its business be conducted with honesty and integrity, and in accordance with high moral, legal and ethical standards. Caesars’ Senior Vice President & Assistant General Counsel – Regulatory & Compliance serves as the Compliance Officer as defined by the Plan.

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## Environmental Stewardship

We take a proactive approach to environmental sustainability through our CodeGreen strategy established in 2007, striving to improve our performance across energy and GHG emissions efficiencies, reduction of water consumption and increasing diversion of waste from landfills. Caesars recognizes the impact climate change can play both on our business and the guests we serve. Identifying, assessing, and managing the risks and opportunities therefore plays a vital role in our long-term strategic thinking on climate and water, and how we approach our CSR goals. We adopted Science Based Targets (“SBTs”) as part of our strategy to reduce our environmental impact. These targets, approved to be in line with well below 2 degrees Celsius per SBTi, are (i) reducing absolute Scope 1 and 2 GHG emissions by 35% by 2025, and 100% by 2050, from a 2011 base-year and (ii) having 60% of suppliers by spend institute science-based GHG reduction targets for their operations by 2023. In 2023, we expect to establish a new baseline to reaffirm GHG emission reduction goals as a combined company, while increasing our ambition to meet a 1.5-degree reduction target. We modeled our GHG emissions data to create an estimate for 2018 and prior years back to 2011. This enabled us to compare our progress against our SBTs using actual data against a modeled 2011 base year. Between 2011 and 2021, Caesars estimated a reduction in absolute Scopes 1 and 2 GHG emissions of 33.9%. Caesars is pursuing renewable energy sources and low-carbon options, including on site solar developments. Our long-term goals include a continued focus on energy efficiency and conservation as well as evaluating renewable energy supply opportunities for each of our properties in pursuit of our forthcoming SBTs.

We voluntarily participate in the CDP (formerly the Carbon Disclosure Project), an international nonprofit that runs a global disclosure system for investors, companies, and regions to manage their environmental impacts. In 2022, Caesars achieved A-List status for both climate change and water security and in 2021 earned a spot on the Supplier Engagement Leaderboard from CDP. Less than 3% of companies assessed by CDP in 2022 made the A List for either climate change or water security.

We are engaged in extensive waste reduction efforts across our facilities, including recycling, food donation, and manure composting. In 2021, we diverted 40% of our total waste from landfills.

## Community Investment

Caesars contributes to our local communities to help them develop and prosper, through funding community projects, Team Member volunteering and cash donations from the Caesars Foundation, a private foundation funded from our operating income. In 2022, the Caesars Foundation contributed \$3.3 million to communities across the United States. The Caesars Foundation also continued to support significant national relationships that support diversity, equity and inclusion. During 2022, our Team Members volunteered over 75,000 hours through the HERO program.

Many of our community partners are long-term collaborations. For example, in 2022 we celebrated the 20<sup>th</sup> anniversary of our partnership with Meal on Wheels America working together to combat the issues of senior hunger and isolation. We also implemented an expanded partnership with Boys and Girls Club of America supported by a \$500,000 grant from the Caesars Foundation to support the mission of enabling young people to reach their full potential as productive, caring, responsible citizens.

We seek to encourage DEI dialogue in our communities as part of our advocacy approach to raise awareness. In 2022, we hosted a DEI Summit bringing together corporate and nonprofit partners and suppliers in supporting and promoting efforts to advance DEI initiatives. The Summit included several educational sessions, keynotes and panel discussions led by notable DEI leaders and practitioners, as well as a panel discussion involving diverse suppliers.

## **Available Information**

We are required to file annual, quarterly and other current reports and information with the Securities and Exchange Commission (“SEC”). Because we submit filings to the SEC electronically, access to this information is available at the SEC’s website ([www.sec.gov](http://www.sec.gov)). This site contains reports and other information regarding issuers that file electronically with the SEC.

We make our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and all amendments to these reports, available free of charge on our corporate website ([www.caesars.com/corporate](http://www.caesars.com/corporate)) as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. In addition, our Code of Ethics and Business Conduct and charters of the Audit Committee, Compensation Committee, Corporate Social Responsibility Committee, and the Nominating and Corporate Governance Committee are available on our website. We will provide reasonable quantities of electronic or paper copies of filings free of charge upon request. In addition, we will provide a copy of the above referenced charters to stockholders upon request.

References in this document to our website address do not incorporate by reference the information contained on the website into this Annual Report on Form 10-K.

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## Cautionary Statement Regarding Forward-Looking Information

This Annual Report on Form 10-K 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, trends and other information that is not historical information. When used in this report, the terms or phrases such as “anticipates,” “believes,” “projects,” “plans,” “intends,” “expects,” “might,” “may,” “estimates,” “could,” “should,” “would,” “will likely continue,” and variations of such words or similar expressions are intended to identify forward-looking statements. Specifically, forward-looking statements may include, among others, statements concerning:

- projections of future results of operations or financial condition;
- expectations regarding our business and results of operations of our existing casino properties and online betting and gaming activities and prospects for future development;
- expectations regarding trends that will affect our markets and the gaming industry generally, including expansion of internet betting and gaming, and the impact of those trends on our business and results of operations;
- our ability to comply with the covenants in the agreements governing our outstanding indebtedness and leases;
- our ability to meet our projected debt service obligations, operating expenses, and maintenance capital expenditures;
- expectations regarding availability of capital resources;
- our intention to pursue development opportunities and additional acquisitions and divestitures, and;
- 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.

Any forward-looking statements are based upon underlying assumptions, including any assumptions mentioned with the specific statements, as of the date such statements were made. Such assumptions 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. Actual results and trends may differ materially from any future results, trends, performance or achievements expressed or implied by such statements. Forward-looking statements speak only as of the date they are made, and we assume no duty to update forward-looking statements. Forward-looking statements should not be regarded as a representation by us or any other person that the forward-looking statements will be achieved. Undue reliance should not be placed on any forward-looking statements. Some of the contingencies and uncertainties to which any forward-looking statement contained herein are subject include, but are not limited to, the following:

- our ability to adapt to the very competitive environments in which we operate, including the online market;
- the impact of economic downturns and other factors that impact consumer spending;
- the impact of win rates and liability management risks on our results of operations;
- our reliance on third parties for strategic relationships and essential services;
- costs associated with investments in our online offerings and technological and strategic initiatives;
- risk relating to fraud, theft and cheating;
- our ability to collect gaming receivables from our credit customers;
- the impact of our substantial indebtedness and significant financial commitments, including our obligations under our lease arrangements;
- restrictions and limitations in agreements governing our debt and leased properties could significantly affect our ability to operate our business and our liquidity;

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- financial, operational, regulatory or other potential challenges that may arise as a result of leasing of a number of our properties;
- the effect of disruptions or corruption to our information technology and other systems and infrastructure;
- the ability to identify suitable acquisition opportunities and realize growth and cost synergies from any future acquisitions;
- the impact of governmental regulation on our business and the cost of complying or the impact of failing to comply with such regulations;
- changes in gaming taxes and fees in jurisdictions in which we operate;
- risks relating to pending claims or future claims that may be brought against us;
- changes in interest rates and capital and credit markets;
- the effect of seasonal fluctuations;
- our particular sensitivity to energy prices;
- deterioration in our reputation or the reputation of our brands;
- potential compromises of our information systems or unauthorized access to confidential information and customer data;
- our reliance on information technology, particularly for our digital business;
- our ability to protect our intellectual property rights;
- the extent and duration of the impact of COVID-19, inflation, supply chain challenges and labor shortages on the Company’s business, financial results and liquidity;
- the effect of war, terrorist activity, acts of violence, natural disasters, public health emergencies and other catastrophic events;
- our reliance on key personnel and the intense competition to attract and retain management and key employees in the gaming industry; and
- other factors described in Part II, Item 1A. “Risk Factors” contained herein and our reports on Form 10-Q and Form 8-K filed with the SEC.

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

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

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## **Item 1A. Risk Factors**

### **Risks Relating to Operating Our Business**

***We face substantial competition and expect that such competition will continue.***

The gaming industry is highly competitive and competition is intense in most of the markets in which we operate. We compete with a variety of gaming operations, including land-based casinos, dockside casinos, riverboat casinos, casinos located on racing tracks and casinos located on Native American reservations and other forms of legalized gaming such as video gaming terminals at bars, restaurants and truck stops and online gambling and sports betting. We also compete, to a lesser extent, with other forms of legalized gaming and entertainment such as bingo, pull tab games, card parlors, sportsbooks, fantasy sports websites, “cruise-to-nowhere” operations, pari-mutuel or telephonic betting on horse racing and dog racing, state-sponsored lotteries, jai-alai and, in the future, may compete with gaming at other venues. In addition, we compete more generally with other forms of entertainment for the discretionary spending of our customers. In some instances, particularly in the case of Native American casinos, our competitors pay lower taxes or no taxes.

In recent years, many casino and online gaming operators, including us, have reinvested in existing jurisdictions to attract new customers or to gain market share, thereby increasing competition in those jurisdictions. In particular, we and other online betting and gaming operators have undertaken extensive marketing campaigns and made significant investments in customer acquisition through pricing and promotional policies. In addition, in response to changing trends, Las Vegas operators have focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. The expansion of online betting and gaming in new jurisdictions and the growth of the number of competitors in the online betting and gaming market, the expansion of existing casino entertainment properties, the increase in the number of properties, and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we operate, and this intense competition is expected to continue. These competitive pressures have and are expected to continue to adversely affect our financial performance.

Our brick-and-mortar operations face increasing competition as a result of the expansion of legalized online gaming and betting, including our own online betting and gaming operations, in a number of the jurisdictions in which we operate. While we believe that we are well positioned to compete with new entrants to the betting and gaming market through our online betting and gaming offerings, the competitive dynamic is evolving and we cannot assure you that our results of operations will not be adversely impacted by the expansion of legalized online gaming and betting.

States that already have legalized casino gaming may further expand gaming, and other states that have not yet legalized gaming may do so in the future. We also compete with Native American gaming operations in California and other jurisdictions where Native American tribes operate large-scale gaming facilities or otherwise conduct gaming activities on Native American lands, which we expect will continue to expand. Further expansion of legalized casino gaming in jurisdictions in or near our markets or changes to gaming laws in states in which we have operations and in states near our operations could increase competition and could adversely affect our operations.

Increased competition may require us to make substantial expenditures in marketing, customer development and capital projects to maintain and enhance the competitive positions of our online and brick and mortar operations to increase the attractiveness and add to the appeal of our facilities and product offerings. Because a significant portion of our cash flow is required to pay obligations under our outstanding indebtedness and our lease obligations, there can be no assurance that we will have sufficient funds to undertake, or that we will be able to obtain sufficient financing to fund, such expenditures. If we are unable to make such expenditures, our competitive position could be negatively affected.

***Our business is sensitive to reductions in discretionary consumer spending as a result of downturns in the economy and other factors outside our control.***

Consumer demand for casino hotel and racetrack properties and online betting and gaming is particularly sensitive to downturns in the economy and the associated impact on discretionary spending on leisure activities. Changes in discretionary consumer spending or consumer preferences brought about by factors such as perceived or actual general economic conditions, effects of declines in consumer confidence in the economy, the impact of high energy and food costs, rising interest rates, the increased cost of travel, decreased disposable consumer income and wealth, fears of war and future acts of terrorism, or widespread illnesses or epidemics, including COVID-19, can have a material adverse effect on leisure and business travel, discretionary spending and other areas of economic behavior that directly impact the gaming and entertainment industries in general and could further reduce customer demand for the amenities and products that we offer. In addition, increases in gasoline prices, including increases prompted by global political and economic instabilities, can adversely affect our casino operations because most of our patrons travel to our properties by car or on airlines that may pass on increases in fuel costs to passengers in the form of higher ticket prices.

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***Win rates (hold rates) for our casino operations depend on a variety of factors, some of which are beyond our control, and 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 factors beyond our control or a failure to accurately determine odds.***

The gaming industry is characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of game, on average, will win or lose in the long run. In addition to the element of chance, win rates (hold percentages) are also affected by the spread of table limits and factors that are beyond our control, such as a player's skill, experience, and behavior, the mix of games played, the financial resources of players, the volume of bets placed, and the amount of time players spend gambling. As a result of the variability in these factors, the actual win rates at our casinos may differ from the theoretical win rates we have estimated and could result in the winnings of our gaming customers exceeding those anticipated. The variability of win rates (hold rates) also have the potential to negatively impact our financial condition, results of operations, and cash flows.

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-set 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 third parties to provide services that are essential to the operation of our online betting and gaming business, including, player account management, 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 player account management, 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, is unable to maintain necessary regulatory approvals, 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 are on comparable terms.

***The growth of our digital business will depend, in part, on the success of our strategic relationships with third parties.***

We rely on relationships with sports leagues and teams, media companies 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 and in 2020, we partnered with ESPN to integrate their digital platforms with our sportsbooks. 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, our ability to cost effectively attract consumers could be impacted and our online betting and gaming business, financial condition, results of operations and prospects could be adversely affected.

***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, 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.

***We face the risk of fraud, theft, and cheating.***

We face the risk that gaming customers may attempt or commit fraud or theft or cheat in order to increase winnings. Such acts of fraud, theft, or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers, or other casino or gaming area staff. Additionally, we also face the risk that customers may attempt or commit fraud or theft with respect to our non-gaming offerings or against other customers. Such risks include stolen credit or charge cards or cash, falsified checks, theft of retail inventory and purchased goods, and unpaid or counterfeit receipts. Failure to discover such acts or schemes in a timely manner could result in losses in our operations. Negative publicity related to such acts or schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations, and cash flows.

***We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.***

We conduct our gaming activities on a credit and cash basis. Any such credit we extend is unsecured. High-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular period. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible. Gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis, and judgments on gaming debts in such jurisdictions are enforceable in all U.S. states under the Full Faith and Credit Clause of the U.S. Constitution; however, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

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In addition, the Chinese government has taken steps to prohibit the transfer of cash for the payment of gaming debts. These developments may have the effect of reducing the collectability of gaming debts of players from China. It is unclear whether these and other measures will continue to be in effect or become more restrictive in the future. These and any future foreign currency control policy developments that may be implemented by foreign jurisdictions could significantly impact our business, financial condition and results of operations.

***The outbreak of COVID-19 and COVID-19 related impacts have had, and are expected to continue to have, a significant impact on our operations and results of operations.***

COVID-19 and mitigation measures recommended or required by public health officials to slow the spread of COVID-19 had a material adverse effect on our operations. All of our casino properties were temporarily closed for several weeks during 2020 due to orders issued by various government agencies and tribal bodies. Following re-opening of our properties, our operations were affected by social distancing measures, including reduced gaming operations, limitations on number of customers present in our facilities, restrictions on hotel, food and beverage outlets and limits on events that would otherwise attract customers to our properties. While restrictions on our operations were eased in 2021 and we experienced positive operating trends, we continue to see prolonged impacts of COVID-19 on the economy, our industry and the Company, with increased challenges arising from labor shortages, supply chain challenges, increasing costs of goods and services, inflation and rising interest rates, among other impacts. The extent and duration of the impacts of COVID-19 on our business is difficult to predict and such impacts may intensify.

***Acts of terrorism, war, natural disasters, severe weather, and political, economic and military conditions may impede our ability to operate or may negatively impact our financial results.***

Terrorist attacks and other acts of war or hostility have created many economic and political uncertainties. For example, a substantial number of the customers of our properties in Las Vegas use air travel. As a result of terrorist acts that occurred on September 11, 2001, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to our properties in Las Vegas. Visitation to Las Vegas also declined for a period of time following the mass shooting tragedy on October 1, 2017. We cannot predict the extent to which disruptions in air or other forms of travel as a result of any further terrorist act, security alerts or war, uprisings, or hostilities in places such as Iraq, Afghanistan, Ukraine, and/or Syria or other countries throughout the world, and governmental responses to those acts or hostilities, will directly or indirectly impact our business and operating results. For example, a third party that is responsible for our player account management has employees in Ukraine and negative developments in Ukraine could negatively impact our digital business. As a consequence of the threat of terrorist attacks and other acts of war or hostility in the future, premiums for a variety of insurance products have increased, and some types of insurance are no longer available. If any such event were to affect our properties, we would likely be adversely affected.

In addition, natural and man-made disasters such as major fires, floods, severe snowstorms, hurricanes, earthquakes, and oil spills could also adversely impact our business and operating results. Such events could lead to the loss of use of one or more of our properties for an extended period of time and disrupt our ability to attract customers to certain of our gaming facilities. For example, our property in Lake Charles, Louisiana was closed in August 2020 until December 2022 due to damage resulting from Hurricane Laura. Inadequate insurance or lack of available insurance for these and other certain types or levels of risk could expose us to significant losses in the event that a catastrophe occurred for which we are underinsured. In most cases, we have insurance that covers portions of any losses from a natural disaster, but it is subject to deductibles and maximum payouts in many cases. Although we may be covered by insurance from a natural disaster, the timing of our receipt of insurance proceeds, if any, may be out of our control. In some cases, however, we may receive no proceeds from insurance. Further, if properties subject to our leases with VICI and GLPI are impacted by a casualty event, such leases require us to repair or restore the affected properties even if the cost of such repair or restoration exceeds the insurance proceeds that we receive. Under such circumstances, the rent under such leases is required to be paid during the period of repair or restoration even if all or a portion of the affected property is not operating. In addition to the damage caused to our properties by a casualty loss, we may suffer business disruption as a result of the casualty event or be subject to claims by third parties that may be injured or harmed. While we carry general liability insurance and business interruption insurance, there can be no assurance that insurance will be available or adequate to cover all loss and damage to which our business or our assets might be subjected and the timing and receipt of insurance proceeds, if any, may be out of our control.

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***Increased scrutiny and changing expectations from investors, consumers, employees, regulators, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention. Increased scrutiny and changing expectations from investors, consumers, employees, regulators, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention.***

Increased scrutiny and changing expectations from investors, consumers, employees, regulators, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention.

Companies across all industries are facing increasing scrutiny related to their environmental, social and governance (“ESG”) practices and reporting. Investors, consumers, employees and other stakeholders have focused increasingly on ESG practices and placed increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices and reporting do not meet investor, consumer or employee expectations, which continue to evolve, our brand, reputation and customer retention may be negatively impacted.

Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control. Examples of such risks include:

- the availability and cost of low- or non-carbon-based energy sources;
- the evolving regulatory requirements affecting ESG standards or disclosures;
- the availability of suppliers that can meet sustainability, diversity and other ESG standards that we may set;
- our ability to recruit, develop and retain diverse talent in our labor markets; and
- the success of our organic growth and acquisitions or dispositions of businesses or operations.

If we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, customer attraction and retention, access to capital and employee retention. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced. Our failure to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention.

***Our business may be subject to fluctuations due to seasonality and other factors that could result in volatility and have an adverse effect on our operating results.***

Our business may fluctuate due to seasonality and other factors. Our casino business is impacted by weather conditions that may deter or prevent customers from reaching the facilities or undertaking trips, which would particularly affect customers who are traveling longer distances to visit our properties. Our casino business can also fluctuate due to specific holidays or other significant events, particularly when the holiday falls in a different quarter than the prior year, the World Series of Poker tournament (with respect to our Las Vegas properties), city-wide conventions, a large sporting event or a concert, or visits by our premium players. Our sportsbook business may also be impacted by availability or scheduling of major sporting events or the cancellation or postponement of sporting events or races, including lockouts, strikes or similar disruptions. Seasonality, holiday, or other significant events may affect our digital operations, properties or regions differently. These factors, among other things, could adversely affect our business, financial condition, and operating results, cause volatility in the trading price of our stock and impact our cash flow from quarter to quarter.

***Our business is particularly sensitive to energy or water prices and a rise in energy prices could harm our operating results.***

We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices that affect our customers may result in reduced visitation to our resorts and a reduction in our revenues. Further, our operations or the operations of our critical supplies could be negatively impacted by the duration of drought conditions, or other cause of water stress or shortages, such as those experienced in the southwest United States, or other areas in which we operate. We may be indirectly impacted by regulatory requirements aimed at reducing the impacts of

climate change directed at up-stream utility providers, as we could experience potentially higher utility, fuel, and transportation costs.

***Any deterioration in our reputation or the reputation of our brands could adversely impact our business, financial condition, or results of operations.***

Our business is dependent on the quality and reputation of our Company and brands. Events beyond our control could affect the reputation of one or more of our properties, including our digital operations, or more generally impact our corporate or brand image. Other factors that could influence our reputation include the quality of the services we offer and our actions with regard to social issues such as diversity, human rights and support for local communities. Broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of us, our brands or our properties. It may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. Negative events and publicity could quickly and materially damage perceptions of us, our brands or our properties, which, in turn, could adversely impact our business, financial condition or results of operations through loss of customers, loss of business opportunities, lack of acceptance of our company to operate in host communities, employee retention or recruiting difficulties or other difficulties.

#### **Risks Relating to Information Systems and Technology**

***Compromises of our information systems or unauthorized access to confidential information or our customers' personal information could materially harm our reputation and business.***

We collect and store confidential, personal information relating to our customers for various business purposes, including marketing and financial purposes, and credit card information for processing payments. For example, we handle, collect and store personal information in connection with our customers staying at our hotels and enrolling in Caesars Rewards. We may share this personal and confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of our business, or for marketing purposes. Our collection and use of personal data are governed by state and federal privacy laws and regulations as well as the applicable laws and regulations in other countries in which we operate. Privacy law is subject to frequent changes and varies significantly by jurisdiction. We may incur significant costs in order to ensure compliance with the various applicable privacy requirements. In addition, privacy laws and regulations may limit our ability to market to our customers.

We assess and monitor the security of collection, storage, and transmission of customer information on an ongoing basis. We utilize commercially available software and technologies to monitor, assess and secure our network. Further, some of the systems currently used for transmission and approval of payment card transactions and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are determined and controlled by the payment card industry, and other such systems are determined and controlled by us. Although we have taken steps designed to safeguard our customers' confidential personal information and important internal company data, our network and other systems and those of third parties, such as service providers, could be compromised, damaged, or disrupted by a third-party breach of our system security or that of a third-party provider or as a result of purposeful or accidental actions of third parties, our employees, or those employees of a third party, power outages, computer viruses, system failures, natural disasters, or other catastrophic events. Our third-party information system service providers face risks relating to cybersecurity similar to ours, and we do not directly control any of such parties' information security operations. Advances in computer and software capabilities, encryption technology, new tools, and other developments may increase the risk of a security breach. As a result of any security breach, customer information or other proprietary data may be accessed or transmitted by or to a third party. Despite the measures we have implemented to safeguard our information, there can be no assurance that we are adequately protecting our information.

Any loss, disclosure of, misappropriation of, or access to customers' or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, damage our reputation, and expose us to claims from customers, financial institutions, regulators, payment card associations, employees, and other persons, any of which could have an adverse effect on our financial condition, results of operations, and cash flow.

We have cybersecurity insurance to respond to a breach which is designed to cover expenses around notification, credit monitoring, investigation, crisis management, public relations and legal advice. We also carry other insurance which may cover ancillary aspects of the event; however, damage and claims arising from a breach may not be completely covered or may exceed the amount of any insurance available.

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***Our operations, and particularly our digital betting and gaming operations, are 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 and we rely significantly on our computer systems and software to receive and properly process internal and external data, including data related to Caesars Rewards. 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. We have 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 computer systems and software may fail or may contain errors, bugs, flaws or corrupted data, and these defects may only become apparent after the launch of our online products. 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.

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***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.***

Our digital business is 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. 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.

### **Risks Related to Human Capital**

***We rely on our key personnel and we may face difficulties in attracting and retaining qualified employees for our casinos and race tracks.***

Our future success will depend upon, among other things, our ability to keep our senior executives and highly qualified employees. The operation of our business requires, qualified executives, managers and skilled employees with gaming and horse racing industry experience and qualifications who are able to obtain the requisite licenses and approval from the applicable gaming authorities. We compete with other potential employers for employees, and we may not succeed in hiring or retaining the executives and other employees that we need. A sudden loss of or inability to replace key employees could have a material adverse effect on our business, financial condition and results of operations. Moreover, there has from time to time been a shortage of skilled labor in our markets and the continued expansion of gaming near our facilities, including the expansion of Native American gaming and internet betting and gaming, may make it more difficult for us to attract qualified candidates. While we believe that we will continue to be able to attract and retain qualified employees, shortages of skilled labor will make it increasingly difficult and expensive to attract and retain the services of a satisfactory number of qualified employees, and we may incur higher costs than expected as a result.

***Work stoppages and other labor problems could negatively impact our future profits.***

As of December 31, 2022, we had collective bargaining agreements covering approximately 21,000 employees. A lengthy strike or other work stoppages at any of our casino properties could have an adverse effect on our business and results of operations.

From time to time, we have also experienced attempts by labor organizations to organize certain of our non-union employees. These efforts have achieved some success to date. We cannot provide any assurance that we will not experience additional and successful union activity in the future. The impact of this union activity is undetermined and could negatively impact our results of operations.

***We cannot assure you that we will be able to retain our performers and other entertainment offerings on acceptable terms or at all.***

Historically, our performers have drawn customers to our properties and have been a significant source of our revenue. We cannot assure you that we will be able to retain our performers or other shows on acceptable terms or at all. In addition, the third parties that we depend on for our properties' entertainment offerings may become incapable or unwilling to provide their services at the level agreed upon or at all. Disruptions in the performance schedule can leave us without entertainment offerings, which could negatively impact our business.

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## **Risks Relating to Our Capital Structure**

***Our substantial indebtedness and the fact that a significant portion of our cash flow is used to make interest payments and rent payments under our debt and lease agreements could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments and rent payments.***

As of December 31, 2022 we had \$13.1 billion of outstanding indebtedness, in addition to leases with VICI and GLPI that require an annual rent payment of \$1.3 billion in 2023 and are subject to annual escalation, including annual escalations based on the CPI. See Note 10 for a description of our obligations under our leases with VICI and GLPI and Note 12 for details regarding our debt outstanding and related restrictive covenants. As a result, a significant portion of our cash flow is applied to make interest payments with respect to our outstanding debt and payments under our leases. These financial obligations may have important negative consequences for us, including:

- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a significant portion of these funds to make payments on our debt and lease obligations;
- limiting our flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate;
- placing us at a competitive disadvantage compared to competitors with debt and rent obligations that are less than ours;
- increasing our vulnerability to, and limiting our ability to react to, changing market conditions, COVID-19 and other public health emergencies, changes in our industry and economic downturns;
- limiting our ability to obtain additional financing to fund working capital requirements, capital expenditures, debt service, acquisitions, general corporate or other obligations;
- subjecting us to a number of restrictive covenants that, among other things, require us to make capital expenditures and limit our ability to pay dividends and distributions, make acquisitions and dispositions, borrow additional funds and make other investments;
- exposing us to interest rate risk due to the variable interest rate on borrowings under our credit facilities; and
- affecting our ability to renew gaming and other licenses necessary to conduct our business.

Our ability to service our current and future levels of indebtedness will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions, including the interest rate environment and financial, business, regulatory and other factors, some of which are beyond our control.

There is no assurance that we will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs and we may be forced to take actions such as reducing or delaying business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing debt, reducing or discontinuing dividends we may pay in the future, or seeking additional equity capital. These actions may not be effected on satisfactory terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have a material adverse effect on our business, results of operations and financial condition. While we expect to refinance or replace our debt facilities when they mature, we cannot be sure that we will be able to obtain financing on commercially reasonable terms.

***Despite our current indebtedness levels, we and our subsidiaries may still incur significant additional indebtedness. Incurring more indebtedness could increase the risks associated with our substantial indebtedness.***

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, and may enter into financing obligations similar to our leases with VICI and GLPI in the future. As of December 31, 2022, we had \$2.2 billion of borrowing capacity under our revolving credit facility, before consideration of \$82 million in outstanding letters of credit and \$48 million committed for regulatory purposes under our CEI Revolving Credit Facility. Further, our existing debt agreements currently permit, and we expect that agreements governing debt that we incur in the future will permit, us to incur certain other additional secured and unsecured debt. Further, we may incur other liabilities that do not constitute indebtedness. The risks that we face based on our outstanding indebtedness may intensify if we incur additional indebtedness or financing obligations in the future.

***Our variable rate indebtedness exposes us to interest rate volatility, which could cause our debt service obligations to increase significantly.***

Borrowings under certain of our facilities are at variable rates of interest and expose us to interest rate volatility. If interest rates increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same. In addition, at the end of 2021, the administrator for London Interbank Offered Rate (“LIBOR”) ceased publishing one-week and two-month U.S. dollar LIBOR and will cease publishing all remaining U.S. dollar LIBOR



tenors in mid-2023. Concurrently, the United Kingdom's Financial Conduct Authority announced the cessation or loss of representativeness of the U.S. dollar LIBOR tenors from those dates. While we continue to monitor market developments to assess replacement rate options, the consequences of these developments with respect to LIBOR cannot be entirely predicted and may result in the level of interest payments on the portion of our indebtedness that bears interest at variable rates to be affected, which may adversely impact the amount of our interest payments under such debt.

***A significant portion of our casinos are located on leased property. If we default on one or more leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected casino.***

We currently lease certain parcels of land on which a significant portion of our properties are located. As a ground lessee, we have the right to use the leased land; however, we do not hold fee ownership of the underlying land. Accordingly, we have no interest in the leased land or improvements thereon at the expiration of the ground leases. If our use of the land underlying our casino properties is disrupted permanently or for a significant period of time, then the value of our assets could be impaired and our business and operations could be adversely affected. Our leases provide that they may be terminated for a number of reasons, including failure to pay rent, taxes or other payment obligations or the breach of other covenants contained in the leases. In particular, our leases with VICI and GLPI require annual rent payments of \$1.3 billion in 2023, which is subject to escalation annually, and obligate us to make specified minimum capital expenditures with respect to the leased properties. If our business and properties fail to generate sufficient earnings, the payments required to service the rent obligations under our leases with VICI and GLPI could materially and adversely limit our ability to react to changes in our business and make acquisitions and investments in our properties. If we were to default on any one or more of these leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected land and any improvements on the land, including the hotels and casinos. A termination of our ground leases or our leases with GLPI or VICI could result in a default under our debt agreements and could have a material adverse effect on our business, financial condition and results of operations. Further, in the event that any lessor of our leased properties, including GLPI or VICI, encounters financial, operational, regulatory or other challenges, there can be no assurance that such lessor will be able to comply with its obligations under the applicable lease.

Certain of our leases, including our leases with VICI and GLPI, are "triple-net" leases. Accordingly, in addition to rent, we are required to pay, among other things, the following: (1) lease payments to the underlying ground lessor for properties that are subject to ground leases; (2) facility maintenance costs; (3) all insurance premiums for insurance with respect to the leased properties and the business conducted on the leased properties; (4) taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor); and (5) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. We are responsible for incurring the costs described in the preceding sentence notwithstanding the fact that many of the benefits received in exchange for such costs shall in part accrue to the lessor as the owner of the associated facilities. In addition, we remain obligated for lease payments and other obligations under our leases with VICI and GLPI and other ground leases even if one or more of such leased facilities is unprofitable or if we decide to withdraw from those locations. We could incur special charges relating to the closing of such facilities including lease termination costs, impairment charges and other special charges that would reduce our net income and could have a material adverse effect on our business, financial condition and results of operations.

### **Legal and Regulatory Risks**

***We are subject to extensive governmental regulation, taxation policies and licensing, and gaming authorities have significant control over our operations, which could have an adverse effect on our business.***

***Licensing Requirements.*** The ownership and operation of casino gaming, online betting and gaming, riverboat and horse racing facilities are subject to extensive federal, state and local regulation, and regulatory authorities at local, state and national levels have broad powers with respect to the licensing of gaming businesses. We currently hold all state and local licenses and related approvals necessary to conduct our present gaming operations, but we must periodically apply to renew many of our licenses and registrations. We cannot assure you that we will be able to obtain such renewals. Any failure to maintain or renew our existing licenses, registrations, permits or approvals would have a material adverse effect on us. In addition, we are required to provide information relating to our operations to various gaming regulatory agencies. A failure to provide accurate information could result in the imposition of fines or other penalties by the relevant regulatory authority. Furthermore, if additional laws or regulations are adopted or existing laws or regulations are amended or interpreted differently, these regulations could impose additional restrictions or costs that could have a significant adverse effect on us.

Gaming authorities with jurisdiction over our operations may, in their discretion, require the holder of any securities issued by us to file applications, be investigated, and be found suitable to own our securities, and, if a holder is found unsuitable, we can be sanctioned, including the loss of approvals that are required for us to continue our gaming operations in the relevant jurisdictions, if such unsuitable person does not timely sell our securities. Our officers, directors and key employees are also

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subject to similar findings of unsuitability and the gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications. See “Item 1 - Gaming Licenses and Governmental Regulations” and Exhibit 99.1 for further description of the regulations to which we are subject. We may be required under applicable gaming laws and regulations to obtain approval of applicable gaming authorities to issue securities, incur debt and undertake other financing activities and our financing counterparties, including lenders, might be subject to various licensing and related approval procedures in the various jurisdictions in which we operate gaming facilities.

*Compliance with Other Laws.* We are also subject to a variety of other federal, state and local laws, rules, regulations and ordinances that apply to non-gaming businesses, including restrictions enacted in response to COVID-19, zoning, environmental, construction and land-use laws and regulations governing smoking and the serving of alcoholic beverages. Our operations have been adversely impacted by regulations enacted to limit the spread of COVID-19. In addition, legislation in various forms to ban indoor tobacco smoking has been enacted or introduced in many states and local jurisdictions, including several of the jurisdictions in which we operate. If additional restrictions are enacted in our jurisdictions, we could experience a significant decrease in gaming revenue and operating results at our properties and, particularly if such restrictions are not applicable to all competitive facilities in that gaming market, our business could be materially adversely affected. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any additional limitations on our operations would be expected to negatively impact our financial performance.

Regulations adopted by FINCEN require us to report currency transactions in excess of \$10,000 occurring within a gaming day. U.S. Treasury Department regulations also require us to report certain suspicious activity, including any transaction that exceeds \$5,000, if we know, suspect or have reason to believe that the transaction involves funds from illegal activity or is designed to evade federal regulations or reporting requirements. Substantial penalties can be imposed if we fail to comply with these regulations. FINCEN has recently increased its focus on gaming companies.

We are required to report certain customer’s gambling winnings via form W-2G to comply with current Internal Revenue Service regulations. Should these regulations change, we would expect to incur additional costs to comply with the revised reporting requirements.

*Taxation and Fees.* In addition, gaming companies are generally subject to significant revenue-based taxes and fees in addition to normal federal, state and local income taxes, and such taxes and fees are subject to increase at any time. We pay substantial taxes and fees with respect to our operations. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied, affecting the gaming industry. The large number of state and local governments with significant current or projected budget deficits makes it more likely that those governments that currently permit gaming will seek to fund such deficits with new or increased gaming taxes and/or property taxes and worsening economic conditions could intensify those efforts. Any material increase, or the adoption of additional taxes or fees, could have a material adverse effect on our future financial results.

***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.

***We may not be able to protect the intellectual property rights we own or may be prevented from using intellectual property necessary for our business.***

The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. We rely primarily on trade secret, trademark, domain name, copyright, and contract law to protect the intellectual property and proprietary technology we own. We also actively pursue business opportunities in the United States and in international jurisdictions involving the licensing of our trademarks to third parties. It is possible that third parties may copy or otherwise obtain and use our intellectual property or proprietary technology without authorization or otherwise infringe on our rights. For example, while we have a policy of entering into confidentiality, intellectual property invention assignment, and/or non-competition and non-solicitation agreements or restrictions with our employees, independent contractors, and business partners, such agreements may not provide adequate protection or may be breached, or our proprietary

technology may otherwise become available to or be independently developed by our competitors. In addition, the laws of some foreign countries may not protect proprietary rights or intellectual property to as great an extent as do the laws of the United States. Despite our efforts to protect our proprietary rights, the unauthorized use or reproduction of our trademarks could diminish the value of our trademarks and our market acceptance, competitive advantages, or goodwill, which could adversely affect our business.

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 and, under certain open source licenses, we could 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.

Third parties have alleged and may in the future allege that we are infringing, misappropriating, or otherwise violating their intellectual property rights. Third parties may initiate litigation against us without warning or may send us letters or other communications that make allegations without initiating litigation. We may elect not to respond to these letters or other communications if we believe they are without merit, or we may attempt to resolve these disputes out of court by negotiating a license, but in either case it is possible that such disputes will ultimately result in litigation. Any such claims could interfere with our ability to use technology or intellectual property that is material to the operation of our business. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties, such as entities that purchase intellectual property assets for the purpose of bringing infringement claims. We also periodically employ individuals who were previously employed by our competitors or potential competitors, and we may therefore be subject to claims that such employees have used or disclosed the alleged trade secrets or other proprietary information of their former employers.

We may have to rely on litigation to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others, or defend against claims of infringement or invalidity, including with respect to technology that we believe to be “open source”. Any such litigation could result in substantial costs and the diversion of resources and the attention of management. If unsuccessful, such litigation could result in the loss of important intellectual property rights, require us to pay substantial damages, subject us to injunctions that prevent us from using certain intellectual property, require us to make admissions that affect our reputation in the marketplace, or require us to enter into license agreements that may not be available on favorable terms, re-engineer our technology or discontinue or delay the provision of our offerings. Finally, even if we prevail in any litigation, the remedy may not be commercially meaningful or fully compensate us for the harm we suffer or the costs we incur. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

***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 are or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact our business and financial condition.***

From time to time, we are named in lawsuits or other legal proceedings relating to our respective businesses. Some of these matters involve commercial or contractual disputes, intellectual property claims, legal compliance, personal injury claims, and employment claims. As with all legal proceedings, no assurances can be given as to the outcome of these matters. Moreover, legal proceedings can be expensive and time consuming, and we may not be successful in defending or prosecuting these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition and results of operations.

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## Item 1B. Unresolved Staff Comments

None.

## Item 2. Properties

As of December 31, 2022, the following are our properties, including a domestic property that was sold during the year. All amounts are approximations.

Property	Location	Casino Space—Sq. Ft.	Slot Machines	Table Games	Hotel Rooms and Suites
<b>Las Vegas Segment</b>					
<b>Owned-Domestic</b>					
The Cromwell	Las Vegas, NV	41,600	340	30	190
Flamingo Las Vegas	Las Vegas, NV	72,300	810	50	3,450
Horseshoe Las Vegas <sup>(a)</sup>	Las Vegas, NV	61,100	690	50	2,810
The LINQ Hotel & Casino	Las Vegas, NV	39,800	610	40	2,240
Paris Las Vegas	Las Vegas, NV	96,700	780	80	2,920
Planet Hollywood Resort & Casino	Las Vegas, NV	63,800	850	70	2,500
<b>Leased</b>					
Caesars Palace Las Vegas	Las Vegas, NV	124,200	1,300	160	3,980
Harrah's Las Vegas	Las Vegas, NV	88,800	950	60	2,540
Rio All-Suite Hotel & Casino	Las Vegas, NV	117,300	910	40	2,520
<b>Regional Segment</b>					
<b>Owned-Domestic</b>					
Circus Circus Reno	Reno, NV	65,500	450	10	1,570
Eldorado Gaming Scioto Downs	Columbus, OH	108,400	2,050	—	—
Eldorado Resort Casino Reno	Reno, NV	70,000	820	40	810
Grand Victoria Casino	Elgin, IL	42,400	750	50	—
Harrah's Hoosier Park Racing & Casino	Anderson, IN	55,300	1,270	30	—
Horseshoe Baltimore	Baltimore, MD	133,300	1,600	190	—
Horseshoe Black Hawk <sup>(a)</sup>	Black Hawk, CO	26,900	720	30	400
Horseshoe Indianapolis <sup>(a)</sup>	Shelbyville, IN	99,300	1,550	90	—
Horseshoe Lake Charles <sup>(b)</sup>	Westlake, LA	63,000	860	50	170
Isle of Capri Casino Boonville	Boonville, MO	28,000	830	20	140
Isle of Capri Casino Lula	Lula, MS	59,300	880	10	170
Harrah's Pompano Beach <sup>(a)</sup>	Pompano Beach, FL	54,800	1,080	40	—
Lady Luck Casino - Black Hawk	Black Hawk, CO	11,200	340	—	—
Silver Legacy Resort Casino	Reno, NV	90,100	860	60	1,680
<b>Leased</b>					
Belle of Baton Rouge Casino & Hotel <sup>(c)</sup>	Baton Rouge, LA	28,500	570	—	290
Caesars Atlantic City	Atlantic City, NJ	114,800	1,730	110	1,140
Harrah's Atlantic City	Atlantic City, NJ	150,100	1,850	130	2,590
Harrah's Council Bluffs	Council Bluffs, IA	23,100	500	20	250
Harrah's Gulf Coast	Biloxi, MS	31,900	640	30	540
Harrah's Joliet	Joliet, IL	39,000	790	20	200
Harrah's Lake Tahoe	Lake Tahoe, NV	54,000	730	60	510
Harrah's Laughlin	Laughlin, NV	58,200	730	30	1,510
Harrah's Metropolis	Metropolis, IL	23,500	640	20	210
Harrah's New Orleans	New Orleans, LA	83,200	1,210	110	450
Harrah's North Kansas City	N. Kansas City, MO	57,500	930	60	390
Harrah's Philadelphia	Chester, PA	99,500	1,700	80	—
Harveys Lake Tahoe	Lake Tahoe, NV	51,100	610	40	740
Horseshoe Bossier City	Bossier City, LA	34,000	990	60	600
Horseshoe Council Bluffs	Council Bluffs, IA	55,100	1,260	50	150

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Property	Location	Casino Space– Sq. Ft.	Slot Machines	Table Games	Hotel Rooms and Suites
Horseshoe Hammond	Hammond, IN	116,500	1,730	80	—
Horseshoe St. Louis <sup>(a)</sup>	St. Louis, MO	75,000	1,070	30	490
Horseshoe Tunica	Tunica, MS	63,000	920	100	510
Isle Casino Bettendorf	Bettendorf, IA	41,200	890	20	510
Isle Casino Waterloo	Waterloo, IA	39,200	840	20	190
Trop Casino Greenville	Greenville, MS	22,800	460	—	—
Tropicana Atlantic City	Atlantic City, NJ	121,100	1,780	120	2,360
Tropicana Laughlin Hotel & Casino	Laughlin, NV	43,200	630	10	1,490

#### Managed and Branded Segment

<u>Managed</u>					
Harrah's Ak-Chin	Phoenix, AZ	65,200	1,140	30	530
Harrah's Cherokee	Cherokee, NC	222,600	3,470	160	1,830
Harrah's Cherokee Valley River	Murphy, NC	66,000	1,000	60	300
Harrah's Resort Southern California	Funner, CA	72,900	1,490	50	1,090
Caesars Windsor	Canada	100,000	1,930	90	760
Caesars Dubai	United Arab Emirates	—	—	—	580
<u>Branded</u>					
Caesars Southern Indiana	Elizabeth, IN	74,400	1,060	90	500
Harrah's Northern California	Ione, CA	30,100	750	10	—

<sup>(a)</sup> During the year ended December 31, 2022, Bally's Las Vegas was rebranded as Horseshoe Las Vegas, Isle Casino Hotel - Black Hawk was rebranded as Horseshoe Black Hawk, Indiana Grand was rebranded as Horseshoe Indianapolis, Isle Casino Racing Pompano Park was rebranded as Harrah's Pompano Beach, and Lumière Place Casino was rebranded as Horseshoe St. Louis.

<sup>(b)</sup> Isle of Capri Casino Hotel Lake Charles ("Lake Charles") temporarily closed at the end of August 2020 due to damage from Hurricane Laura and reopened in December 2022 as Horseshoe Lake Charles, the new land-based casino.

<sup>(c)</sup> During the year ended December 31, 2022, this property was sold.

Certain of our properties operate off-track betting locations, including Harrah's Hoosier Park Racing & Casino, which operates Winner's Circle Indianapolis and Winner's Circle New Haven, and Horseshoe Indianapolis, which operates Winner's Circle Clarksville. Other properties of ours include The LINQ Promenade, next to The LINQ Hotel & Casino (the "LINQ") and the CAESARS FORUM conference center in our Las Vegas segment. The LINQ Promenade is an open-air dining, entertainment, and retail promenade located on the east side of the Las Vegas Strip that features the High Roller, a 550-foot observation wheel, and the Fly LINQ Zipline attraction. The CAESARS FORUM is a 550,000 square foot 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.

### Item 3. Legal Proceedings

For a discussion of our "Legal Proceedings," refer to Note 11 to our Financial Statements located elsewhere in this Annual Report on Form 10-K.

### Item 4. Mine Safety Disclosures

Not applicable.

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## PART II

### Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Common Stock is quoted on the NASDAQ Stock Market under the symbol "CZR". As of February 16, 2023, there were approximately 310 holders of record of our common stock.

We have not paid any cash dividends on our common stock. We intend to retain all of our earnings to finance the development of our business, and thus, do not anticipate paying cash dividends on our common stock for the foreseeable future. Payment of any cash dividends in the future will be at the discretion of our Board and will depend upon, among other things, our future earnings, operations and capital requirements, our general financial condition, general business conditions and restrictions that may be in place under our borrowing arrangements or existing lease agreements.

#### Equity Compensation Plan Information

We maintain long-term incentive plans which allow for granting stock-based compensation awards for directors, employees, officers, and consultants or advisers who render services to the Company or its subsidiaries, based on Company Common Stock, including stock options, restricted stock, restricted stock units ("RSUs"), performance stock units ("PSUs"), market-based performance stock units ("MSUs"), stock appreciation rights, and other stock-based awards or dividend equivalents. Forfeitures are recorded in the period in which they occur. See Note 15 for a description of our stock-based compensation plans.

The following table sets forth information as of December 31, 2022, with respect to compensation plans under which equity securities that we have authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted average exercise price of outstanding options, warrants and rights <sup>(2)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	2,988,529	\$ 30.63	5,200,673

<sup>(1)</sup> Includes (i) 88 shares of common stock issuable upon exercise of outstanding options with a weighted-average exercise price of \$30.63 and (ii) 2,988,441 unvested RSUs, PSUs, and MSUs.

<sup>(2)</sup> RSUs, PSUs, and MSUs do not have an exercise price and therefore are not included in the calculation of the weighted-average exercise price.

#### 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. As of December 31, 2022, no shares of preferred stock have been issued.

#### Share Repurchase Program

In November 2018, our Board authorized a common stock repurchase program of up to \$150 million of stock (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 December 31, 2022, we have acquired 223,823 shares of common stock under this program since 2018 at an aggregate value of \$9 million and an average of \$40.80 per share. No shares were repurchased during the years ended December 31, 2022 or 2021.

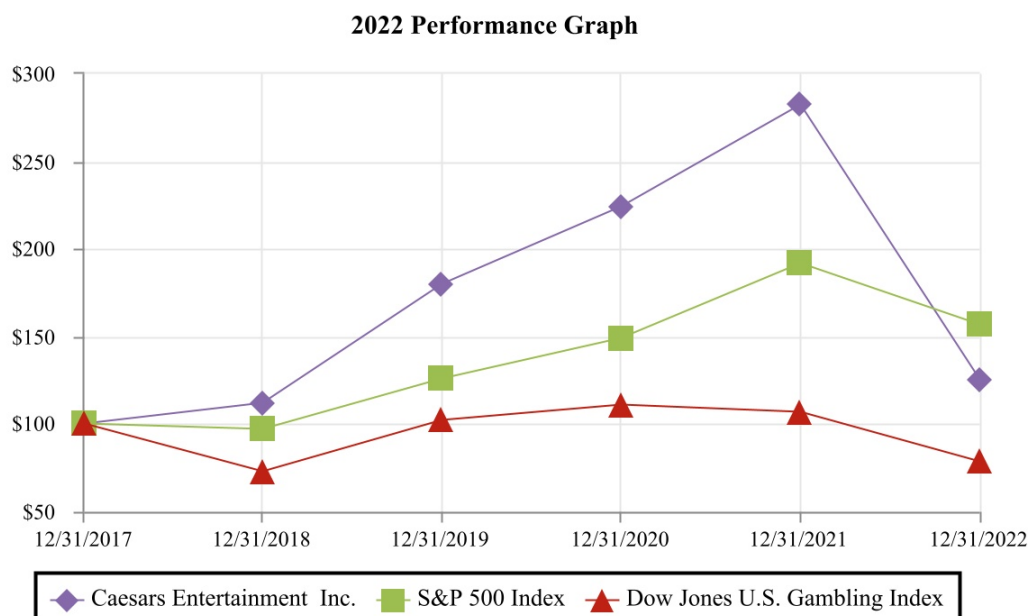
#### Recent Sales of Unregistered Securities

None.

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## Stock Performance Graph

The graph depicted below compares the cumulative total stockholder return on our common stock with the cumulative total return on the Standard & Poor's 500 Stock Index ("S&P 500") and the Dow Jones U.S. Gambling Total Stock Market Index ("Dow Jones U.S. Gambling") for the period beginning on December 31, 2017 and ending on December 31, 2022. NASDAQ OMX furnished the data. The performance graph assumes a \$100 investment in our stock and each of the two indices, respectively, on December 31, 2017, and that all dividends were reinvested. Stock price performance, presented for the period from December 31, 2017 to December 31, 2022, is not necessarily indicative of future results.



The performance graph should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act or the Exchange Act, unless we specifically incorporate the performance graph by reference therein.

### Item 6. [Reserved]

Not used.

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto and other financial information included elsewhere in this Annual Report on Form 10-K.

Caesars Entertainment, Inc., a Delaware corporation, and its subsidiaries, may be referred to as the "Company," "CEI," "Caesars," "we," "our," "us," or the "Registrant."

We also refer to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss) as our "Statements of Operations," (iii) our Consolidated Balance Sheets as our "Balance Sheets," and (iv) our Consolidated Statements of Cash Flows as our "Statements of Cash Flows." References to numbered "Notes" refer to Notes to our Consolidated Financial Statements included in [Item 8](#).

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*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 Item 1A, “Risk Factors—CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS,” of 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. Beginning in 2005, we grew through a series of acquisitions, including the acquisition of MTR Gaming Group, Inc. in 2014, Isle of Capri Casinos, Inc. (“Isle” or “Isle of Capri”) in 2017 and Tropicana Entertainment, Inc. in 2018 and a merger with Caesars Entertainment Corporation (“Former Caesars”) on July 20, 2020, pursuant to which Former Caesars became our wholly-owned subsidiary (the “Merger”) and our ticker symbol on the NASDAQ Stock Market changed from “ERI” to “CZR.” In addition, on April 22, 2021, we completed the acquisition of William Hill PLC (the “William Hill Acquisition”).

We currently own, lease or manage an aggregate of 51 domestic properties in 16 states with approximately 52,800 slot machines, video lottery terminals and e-tables, approximately 2,800 table games and approximately 47,200 hotel rooms as of December 31, 2022. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. Our primary source of revenue is generated by our casino properties’ gaming operations, including our retail and online sports betting, as well as our online gaming, and we utilize our hotels, restaurants, bars, entertainment, racing, retail shops and other services to attract customers to our properties.

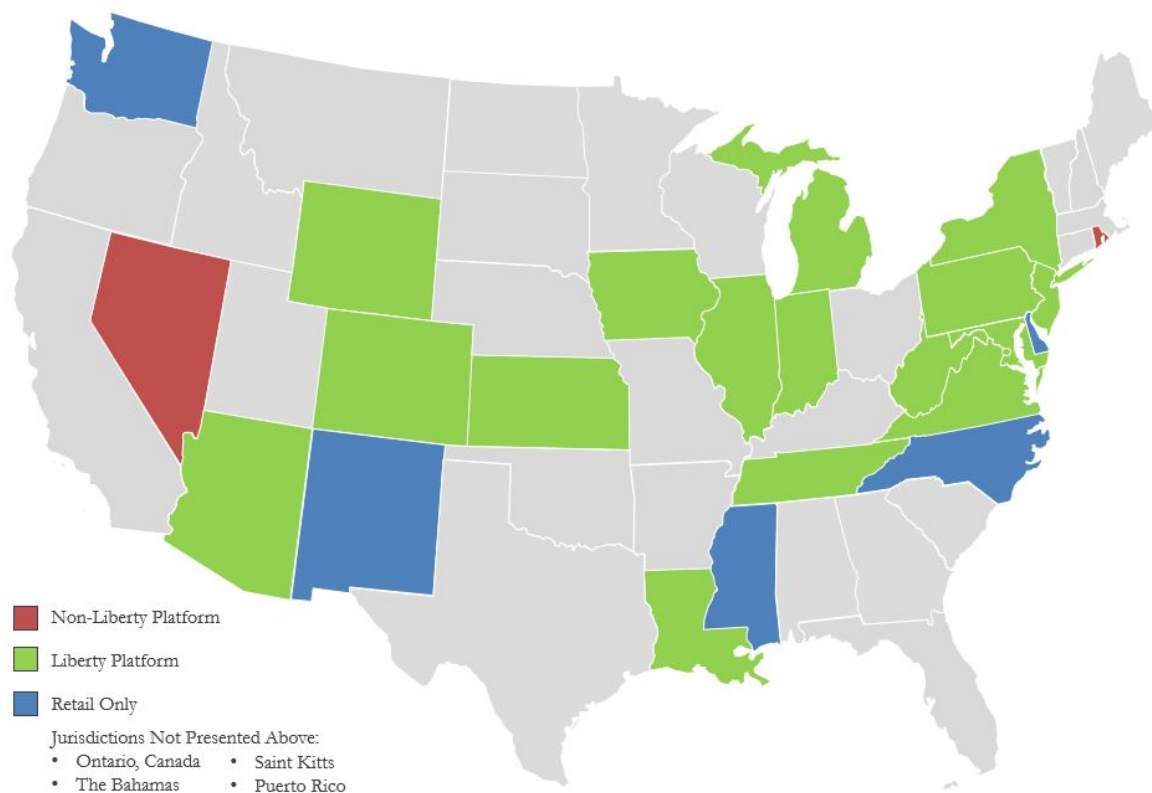
As of December 31, 2022, we owned 20 of our casinos and leased 25 casinos in the U.S. We lease 18 casinos from VICI Properties L.P., a Delaware limited partnership (“VICI”) pursuant to a regional lease, a Las Vegas lease and a Joliet lease (collectively, “VICI Leases”). We also lease six casinos from GLP Capital, L.P., the operating partnership of Gaming and Leisure Properties, Inc. (“GLPI”), pursuant to a Master Lease (as amended, the “GLPI Master Lease”) and a Lumière lease (together with the GLPI Master Lease, the “GLPI Leases”). Additionally, we lease the Rio All-Suite Hotel & Casino from a separate third party. See descriptions under the “GLPI Leases” and “VICI Leases.”

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We also operate and conduct sports wagering across 28 jurisdictions in North America, 20 of which are mobile for sports betting, and operate regulated online real money gaming in six jurisdictions in North America. Our Caesars Sportsbook app operates on the Liberty platform, which we acquired in the William Hill Acquisition along with other technology platforms that we intend to migrate to the Liberty platform in the future, subject to required approvals. The map below illustrates Caesars Digital’s presence as of December 31, 2022:

## Caesars Digital: Sports Presence Snapshot



On January 1, 2023, we launched mobile sports betting on our Liberty platform in Ohio and Caesars Sportsbook is now accepting in-person sports wagers and mobile account cash deposits at certain destinations including Eldorado Gaming Scioto Downs.

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

We are also in the process of continuing the expansion of our Caesars Digital footprint in the near term with our Caesars Sportsbook and Caesars Racebook apps as jurisdictions legalize or provide necessary approvals.

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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 obtaining regulatory approvals related to closing of the Merger. A summary of recently completed divestitures of our properties as of December 31, 2022 is as follows:

Segment	Property	Date Sold	Sales Price
Regional	Isle of Capri Casino Kansas City (“Kansas City”)	July 1, 2020	(a)
Regional	Lady Luck Casino Vicksburg (“Vicksburg”)	July 1, 2020	(a)
Regional	Eldorado Resort Casino Shreveport (“Eldorado Shreveport”)	December 23, 2020	\$140 million
Regional	MontBleu Casino Resort & Spa (“MontBleu”)	April 6, 2021	\$15 million
Regional	Tropicana Evansville (“Evansville”)	June 3, 2021	\$480 million
Regional	Belle of Baton Rouge Casino & Hotel (“Baton Rouge”)	May 5, 2022	*
<b><u>Discontinued operations:</u></b>			
Regional	Harrah’s Reno	September 30, 2020	\$42 million (b)
Regional	Bally’s Atlantic City	November 18, 2020	\$25 million (b)
Regional	Harrah’s Louisiana Downs	November 1, 2021	\$22 million (b)
Regional	Caesars Southern Indiana	September 3, 2021	\$250 million
N/A	Emerald Resort & Casino	July 16, 2021	*
N/A	Caesars Entertainment UK	July 16, 2021	*
N/A	William Hill International	July 1, 2022	£2.0 billion

\* Not meaningful.

(a) Kansas City and Vicksburg were sold for aggregate consideration of \$230 million.

(b) The proceeds of this sale were split between the Company and VICI.

See Item 8. Financial Statements and Supplementary Data — Note 4 for further discussion on these key transactions and any applicable gain (loss) or impairment charges recorded.

## Merger and Acquisitions Related Activities

### 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 the acquisition date, our intent was to divest William Hill PLC’s non-U.S. operations, including the United Kingdom and international online divisions and the retail betting shops (collectively, “William Hill International”), which were held for sale as of the date of the closing of the William Hill Acquisition with such operations reflected within discontinued operations. On April 22, 2021, we completed the acquisition of William Hill PLC for £2.9 billion, or approximately \$3.9 billion.

On September 8, 2021, we entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. On April 7, 2022, we amended the agreement to sell William Hill International to 888 Holdings Plc for a revised enterprise value of approximately £2.0 billion. The amended agreement reflected a £250 million reduction in consideration payable at closing and up to £100 million as deferred consideration to be paid to us, subject to 888 Holdings Plc meeting certain 2023 financial targets. During the year ended December 31, 2022, the Company recorded impairments to assets held for sale of \$503 million within discontinued operations based on the revised and final sales prices.

On July 1, 2022, we completed the sale of William Hill International to 888 Holdings Plc and outstanding borrowings under the Bridge Credit Agreement between the Company and certain lenders party thereto and Deutsche Bank AG, London Branch as administrative agent and collateral agent were immediately repaid. After the repayment of the Bridge Credit Agreement, other permitted leakage, and the settlement of related forward contracts, we received net proceeds of \$730 million. Including open market repurchases and repayments, we utilized all \$730 million to reduce our outstanding debt.

We recognized acquisition-related transaction costs of \$21 million, \$68 million and \$8 million for the years ended December 31, 2022, 2021 and 2020, respectively, excluding additional transaction cost associated with sale of William Hill International. These costs were associated with legal, professional services and certain severance and retention costs and were primarily recorded in Transaction and other costs in our Statements of Operations.

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### Consolidation of Horseshoe 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% for cash consideration of \$55 million. As a result of the increase in our ownership interest, our previously held investment was remeasured and we recognized a gain of \$40 million for the year ended December 31, 2021. Subsequent to the change in ownership, we determined that we have a controlling financial interest and began to consolidate the operations of Horseshoe Baltimore.

### 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

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.

We recognized acquisition-related transaction costs in connection with the Merger of \$30 million and \$160 million for the years ended December 31, 2021 and 2020, respectively.

## **Investments and Partnerships**

### 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, we sold a portion of our shares of NeoGames common stock for \$136 million which decreased our ownership interest from 24.5% to approximately 8.4%. Additionally, on March 14, 2022 we sold our remaining 2 million shares at fair value for \$26 million. During the years ended December 31, 2022 and 2021, we recorded losses related to the investment in NeoGames of \$34 million and \$54 million, respectively, which is included within 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 is 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, for a total of \$4 million in cash contributions since inception of the joint venture. 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.

While we hold a 50% variable interest in the joint venture, we are not the primary beneficiary; as such the investment in the joint venture is accounted for using the equity method. We participate evenly with Cordish in the profits and losses of the joint venture, which are included in Transaction and other costs on our Statements of Operations. As of December 31, 2022 and 2021, the Company’s investment in the joint venture is recorded in Investment in and advances to unconsolidated affiliates on our Balance Sheets.

## **Reportable Segments**

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

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## Presentation of Financial Information

The financial information included in this Item 7 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, described above, is not fully comparable to the periods prior to their respective sale dates.

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

### Key Performance Metrics

Our primary source of revenue is generated by our gaming operations, including retail and online sports betting, as well as online gaming. Additionally we utilize our hotels, restaurants, bars, entertainment venues, retail shops, racing and other services to attract customers to our properties. Our operating results are highly dependent on the volume and quality of customers 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 11% of slot handle for both the Las Vegas and Regional segments. Table game hold percentage is typically in the range of approximately 16% to 23% of table game drop in both the Las Vegas and Regional segments. Sports betting hold is typically in the range of 5% to 9% and iGaming hold typically ranges from 3% to 4%. In addition, hotel occupancy, which is the average percentage of available hotel rooms occupied during a period, is a key indicator for our hotel business in the Las Vegas segment. See "Results of Operations" section below. Complimentary rooms are treated as occupied rooms in our calculation of hotel occupancy. The key metrics we utilize to measure our profitability and performance are Adjusted EBITDA and Adjusted EBITDA margin.

### **Significant Factors Impacting Financial Results**

The following summary highlights the significant factors impacting our financial results during the years ended December 31, 2022, 2021 and 2020.

#### Acquisitions and Transaction Costs

- *William Hill Acquisition* – On April 22, 2021, we consummated the 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 £2.9 billion, or approximately \$3.9 billion. We recognized acquisition-related transaction costs of \$21 million, \$68 million and \$8 million for the years ended December 31, 2022, 2021 and 2020, respectively, excluding additional transaction costs associated with sale of William Hill International.
- *Consolidation of Horseshoe Baltimore* – On August 26, 2021, we increased our ownership interest in Horseshoe Baltimore to approximately 75.8%. Prior to the purchase, we held an interest in Horseshoe Baltimore of approximately 44.3% which was accounted for as an equity method investment. Subsequent to the change in ownership, we determined we have a controlling financial interest and have consolidate the operations of Horseshoe Baltimore. As a result of the consolidation, we recognized a gain of \$40 million during the year ended December 31, 2021.
- *Merger with Caesars Entertainment Corporation* – The Merger closed on July 20, 2020 and we have recognized acquisition-related transaction costs in connection with the Merger of \$30 million and \$160 million for the years ended December 31, 2021 and 2020, respectively.

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### Divestitures and Discontinued Operations

- *Divestitures and Discontinued Operations* – See “Overview” section above for detail of properties divested, including related discontinued operations.

### Financing Transactions

- *Debt Transactions* - We continue to utilize free cash flow to reduce our leverage and extend the maturity of our outstanding debt. The following are the key financing transactions and their effects on our operations, from the use of free cash flow, unless otherwise noted:
  - Utilized proceeds from the sale of William Hill International and cash on hand to make partial prepayments of \$755 million of the outstanding principal of the CRC Incremental Term Loan.
  - Repaid \$300 million of the outstanding principal of the CRC Term Loan, excluding the prepayment resulting from the proceeds of the CEI Term Loan A described below.
  - Purchased a total of \$11 million in principal amount of the CRC Senior Secured Notes and \$89 million in principal amount of CEI Senior Notes due 2027.
  - Amended the CEI Credit Agreement and utilized the entire proceeds of a new \$750 million CEI Term Loan A to make a partial prepayment of the outstanding principal of the CRC Term Loan, terminate the CRC Revolving Credit Facility and increase the aggregate principal amount of the CEI Revolving Credit Facility to \$2.25 billion.
  - For the years ended December 31, 2022, 2021 and 2020, we recorded loss on extinguishment of debt of \$85 million, \$236 million and \$197 million respectively, which is recorded within Loss on extinguishment of debt on the Statement of Operations due to the aforementioned activity.
  - Refer to the Liquidity and Capital Resources section below for a further discussion of our recent debt transactions, including our financing transactions in 2023 in which we issued new CEI Senior Secured Notes due 2030, a new CEI Term Loan B, and fully repaid the CRC Term Loan and CRC Incremental Term Loan.

### Other Significant Factors

- *Economic Factors Impacting Discretionary Spending* – Gaming and other leisure activities we offer represent discretionary expenditures which may be sensitive to economic downturns. The resurgence of the Omicron variant of COVID-19 impacted the beginning of the year, however, many of our properties experienced positive trends during much of the year ended December 31, 2022, including higher hotel occupancy and rates, particularly in Las Vegas, and increased gaming and food and beverage volumes coupled with improved product mix. The reduction in mandates and restrictions, combined with pent up consumer demand and supplemental discretionary spend from governmental stimulus, resulted in strong results across our properties during 2021.

In addition to the loss of government stimulus programs from prior year that increased consumer discretionary spend, we are monitoring the trend of higher inflation in the current year and the possible implications to our customers. Although we have seen some periods of reduced visitation from those customers that are most affected by inflation, visitation from those customers not as sensitive to inflation remains steady or has slightly improved.

- *Impairment Charges* – As a result of our finalized and approved capital and operating plans and the completion of our 2022 annual impairment testing, we recognized impairment charges during the year ended December 31, 2022 in our Regional segment primarily due to an increase in the related discount rates, which represents the higher required cost of capital as a result of the macroeconomic environment and projected outlook. We identified one property, where the estimated fair value of the associated gaming rights was less than the carrying value and we recorded an impairment of \$30 million. In addition, we identified two properties, where the estimated fair value of the enterprise was less than the carrying value and recorded an impairment to goodwill of \$78 million.

In December 2021, we approved a capital plan which included the planned rebranding of certain of our properties. We utilized an income approach to determine the fair value of the trademarks subject to rebranding based on their expected future cash flows, which resulted in an impairment charge of \$102 million during the year ended December 31, 2021.

During the year ended December 31, 2020, we recognized impairment charges in our Regional segment related to goodwill and trade names totaling \$100 million and \$16 million, respectively, due to the effects of COVID-19. In addition, as a result of entering agreements to sell properties in our Regional segment, impairment charges totaling \$99 million were recorded during the year ended December 31, 2020 due to the carrying value exceeding the net sales proceeds.

- *Weather Disruption* – In late August 2020, our Regional segment was negatively impacted by Hurricane Laura, causing severe damage to Isle of Capri Casino Hotel Lake Charles. As a result of the damage, the property remained closed during the construction of a new land-based location, Horseshoe Lake Charles, which opened in December 2022. During the year ended December 31, 2022, we reached a final settlement agreement with the insurance carriers for the damage and disruption for a total amount of \$128 million, before our insurance deductible of \$25 million. We have received a total of \$103 million related to damaged fixed assets, remediation costs and business interruption.

We recorded gains of \$38 million and \$21 million during the years ended December 31, 2022 and 2021, respectively, which are included in Transaction and other costs in our Statements of Operations, as proceeds received for the cost to replace damaged property were in excess of respective carrying value of the assets.

- *Caesars Sportsbook and Caesars Racebook* – In connection with the launch and rebranding of the Caesars Sportsbook app, our Caesars Digital segment launched a significant marketing campaign in the second half of 2021 with distinguished actors, former athletes and other media personalities. As new states and jurisdictions have legalized sports betting, we have made significant upfront investments which have been executed through marketing campaigns and promotional incentives to acquire new customers and establish ourselves as an industry leader. For example, in connection with the launch of our Caesars Sportsbook app in the state of New York on January 8, 2022 and Louisiana on January 28, 2022, we experienced negative net revenue at the beginning of 2022 resulting from a substantial amount of bonus cash and matched deposits issued to customers as sign-on incentives, which exceeded our gaming win. Our level of investment and types of incentives provided are discretionary and are not expected to continue at elevated levels subsequent to the initial launch period. In addition, as our Caesars Racebook launches in new states and jurisdictions, we may offer deposit matching incentives to new users. A significant portion of our marketing and promotional costs are variable and we continue to monitor and adjust our level of investment based on jurisdiction specific conditions, customer behaviors, and results observed from prior state launches.

## Results of Operations

The following table highlights the results of our operations:

<i>(Dollars in millions)</i>	Years Ended December 31,		
	2022	2021	2020
<b>Net revenues:</b>			
Las Vegas	\$ 4,287	\$ 3,409	\$ 751
Regional	5,704	5,537	2,660
Caesars Digital	548	337	95
Managed and Branded	282	278	107
Corporate and Other <sup>(a)</sup>	—	9	15
<b>Total</b>	<b>\$ 10,821</b>	<b>\$ 9,570</b>	<b>\$ 3,628</b>
<b>Net loss</b>	<b>\$ (910)</b>	<b>\$ (1,016)</b>	<b>\$ (1,758)</b>
<b>Adjusted EBITDA <sup>(b)</sup>:</b>			
Las Vegas	\$ 1,964	\$ 1,568	\$ 133
Regional	1,985	1,979	711
Caesars Digital	(666)	(476)	26
Managed and Branded	84	87	25
Corporate and Other <sup>(a)</sup>	(124)	(168)	(101)
<b>Total Segment Adjusted EBITDA</b>	<b>\$ 3,243</b>	<b>\$ 2,990</b>	<b>\$ 794</b>
Net loss margin	(8.4)%	(10.6)%	(48.5)%
Adjusted EBITDA margin	30.0 %	31.2 %	21.9 %

<sup>(a)</sup> 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.

<sup>(b)</sup> 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 description of Adjusted EBITDA and a reconciliation of net income (loss) to Adjusted EBITDA.

### Consolidated comparison for the years ended December 31, 2022, 2021 and 2020

The following table highlights the results of our operations: Comparisons between 2022 and 2021 are described below. A discussion of changes in our results of operations between year ended December 31, 2021 compared to 2020 has been omitted from this Annual Report on Form 10-K and can be found in [“Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020”](#) of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

#### Net Revenues

Net revenues were as follows:

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020				
Casino	\$ 5,997	\$ 5,827	\$ 2,482	\$ 170	2.9 %	\$ 3,345	134.8 %
Food and beverage	1,596	1,140	342	456	40.0 %	798	*
Hotel	1,957	1,551	450	406	26.2 %	1,101	*
Other	1,271	1,052	354	219	20.8 %	698	197.2 %
<b>Net Revenues</b>	<b>\$ 10,821</b>	<b>\$ 9,570</b>	<b>\$ 3,628</b>	<b>\$ 1,251</b>	<b>13.1 %</b>	<b>\$ 5,942</b>	<b>163.8 %</b>

\* Not meaningful.

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Despite the resurgence of the Omicron variant during the beginning of 2022, consolidated net revenues increased for the year ended December 31, 2022. The Company's net revenues have benefited from steady gaming volumes at our properties, increased hotel occupancy and room rates, and improved food and beverage offerings. Banquets and conventions have improved during the current year, in addition to a strengthening of international visitation. The Company continues to remain strategic with new food and beverage offerings with a focus on operating margins and product mix. Restaurant covers have increased during the year, driven by our Las Vegas segment. Live entertainment events have also increased year over year following the prolonged impacts from COVID-19. Additionally, the consolidation of Horseshoe Baltimore on August 26, 2021 contributed to the increase in net revenues for the year ended December 31, 2022. These increases were offset slightly by negative gaming revenue in our Caesars Digital segment in the first quarter of 2022 and construction disruption experienced at certain properties.

### Operating Expenses

Operating expenses were as follows:

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020				
Casino	\$ 3,526	\$ 3,129	\$ 1,271	\$ 397	12.7 %	\$ 1,858	146.2 %
Food and beverage	935	707	265	228	32.2 %	442	166.8 %
Hotel	529	438	170	91	20.8 %	268	157.6 %
Other	411	373	140	38	10.2 %	233	166.4 %
General and administrative	2,068	1,782	902	286	16.0 %	880	97.6 %
Corporate	286	309	195	(23)	(7.4)%	114	58.5 %
Impairment charges	108	102	215	6	5.9 %	(113)	(52.6)%
Depreciation and amortization	1,205	1,126	583	79	7.0 %	543	93.1 %
Transaction and other costs	14	144	270	(130)	(90.3)%	(126)	(46.7)%
Total operating expenses	<u>\$ 9,082</u>	<u>\$ 8,110</u>	<u>\$ 4,011</u>	<u>\$ 972</u>	12.0 %	<u>\$ 4,099</u>	102.2 %

Casino expenses consist primarily of salaries and wages associated with our gaming operations, gaming taxes and marketing and promotions attributable to our Caesars Digital segment. Food and beverage expenses consist principally of salaries and wages and costs of goods sold associated with our food and beverage operations. Hotel expenses consist principally of salaries and wages, supplies and costs of services 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, food and beverage, hotel, and other expenses for the year ended December 31, 2022 increased year over year following the revenue increases noted above, in addition to the impacts of the William Hill Acquisition and the consolidation of Horseshoe Baltimore. Advertising costs consisting of television, radio and internet marketing campaigns directly attributable to our Caesars Sportsbook app also contributed to the increase, particularly during the launch of the app in New York and Louisiana during the first quarter. These increases were partially offset as we scaled back our advertising efforts subsequent to the first quarter of 2022 and continue to identify more efficient methods to manage marketing and promotional spend and reduce gaming expenses within our Las Vegas and Regional segments. Further, we have managed increases in food costs by focusing on efficiencies within food and beverage venues and menu options.

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

General and administrative expenses and depreciation and amortization expense increased for the year ended December 31, 2022 as compared to the same prior year period, mainly due to the William Hill Acquisition and the consolidation of Horseshoe Baltimore. Property information technology costs, other marketing expenses and utility expenses also increased compared to the prior year.

Corporate expenses include unallocated expenses such as payroll, inclusive of the annual bonus, stock-based compensation, professional fees, and other various expenses not directly related to the Company's operations.

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Transaction and other costs for the year ended December 31, 2022 decreased year over year due to a gain of approximately \$38 million as proceeds received for the Isle of Capri Casino Hotel Lake Charles property damage were in excess of the respective carrying value of the assets. Additionally, no significant acquisition related transaction costs were incurred during the year as compared to the William Hill Acquisition in the prior year.

#### Other Expense

Other expense was as follows:

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020	2022 vs 2021		2021 vs 2020	
Interest expense, net	\$ (2,265)	\$ (2,295)	\$ (1,202)	\$ 30	1.3 %	\$ (1,093)	(90.9)%
Loss on extinguishment of debt	(85)	(236)	(197)	151	64.0 %	(39)	(19.8)%
Other income (loss)	46	(198)	176	244	*	(374)	*
Benefit (provision) for income taxes	41	283	(132)	(242)	(85.5)%	415	*

\* Not meaningful.

For the year ended December 31, 2022, interest expense, remained consistent year over year as a result of decreased interest expense associated with our debt instruments, offset by increases in interest expense associated with the financing obligations related to our leases with VICI and GLPI which contain annual escalators which have resulted in increased interest expense year over year. Repayments and early extinguishments during the prior year, which continued into the current year, and favorable interest rates from new debt have resulted in lower interest expense associated with our debt.

Loss on extinguishment of debt for the year ended December 31, 2022 was attributable to the extinguishment of deferred financing costs and discounts associated with early partial repayments of the CRC Term Loan and the CRC Incremental Term Loan. Loss on extinguishment of debt for the year ended December 31, 2021 was related to early repayment premiums, and extinguishment of deferred financing costs and discounts associated with the prepayments of the CRC Notes and CEI Senior Notes, the repricing of the CRC Incremental Term Loan, and the early extinguishment of the 5% Convertible Notes.

For the year ended December 31, 2022, other income (loss) primarily consisted of a gain related to the resolution of a portion of disputed claims liability related to Former Caesars' bankruptcy and a change in the fair value of foreign exchange forward contracts, offset by the change in fair value of investments. For the year ended December 31, 2021, other income (loss) primarily consisted of 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 effective tax rate was 7.2% for 2022, 22.3% for 2021, and (8.2)% for 2020. The effective tax rate in 2022 differed from the statutory rate of 21% primarily due to an increase in tax expense due to state rate changes and a deferred tax adjustment related to the tax impact of the settlement of preexisting relationships upon the William Hill Acquisition in 2021 that was partially offset by changes to the valuation allowance. The effective tax rate in 2020 differed from the statutory rate of 21% primarily due to an increase in valuation allowance against the deferred tax assets due to the series of transactions with VICI during the year. Such transactions did not occur in 2021. Refer to [Item 8. - Note 17](#) for the effective income tax rate reconciliation.

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## Segment comparison for the years ended December 31, 2022, 2021 and 2020

### Las Vegas Segment

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020	2022 vs 2021		2021 vs 2020	
<b>Revenues:</b>							
Casino	\$ 1,247	\$ 1,226	\$ 319	\$ 21	1.7 %	\$ 907	*
Food and beverage	1,063	702	130	361	51.4 %	572	*
Hotel	1,341	968	186	373	38.5 %	782	*
Other	636	513	116	123	24.0 %	397	*
Net revenues	\$ 4,287	\$ 3,409	\$ 751	\$ 878	25.8 %	\$ 2,658	*
Table game drop	\$ 3,464	\$ 3,088	\$ 1,082	\$ 376	12.2 %	\$ 2,006	185.4 %
Table game hold %	22.0 %	20.2 %	16.6 %		1.8 pts		3.6 pts
Slot handle	\$ 10,718	\$ 10,309	\$ 3,498	\$ 409	4.0 %	\$ 6,811	194.7 %
Hotel occupancy	92.2 %	82.1 %	47.2 %		10.1 pts		34.9 pts
Adjusted EBITDA	\$ 1,964	\$ 1,568	\$ 133	\$ 396	25.3 %	\$ 1,435	*
Adjusted EBITDA margin	45.8 %	46.0 %	17.7 %		(0.2) pts		28.3 pts
Net income (loss) attributable to Caesars	\$ 1,021	\$ 641	\$ (287)	\$ 380	59.3 %	\$ 928	*

\* Not meaningful.

Las Vegas segment's net revenues and net income (loss) and Adjusted EBITDA increased year over year. Visitation to Las Vegas has continued to trend toward levels experienced prior to the COVID-19 pandemic. Table game drop and slot handle have increased with slight increases in hold. Increased casino revenues were slightly offset by gaming capacity disruption at Caesars Palace caused by the renovation to the front entrance during the third quarter of 2022. Restaurant covers have increased during the year and we continue to expand food and beverage offerings, including Bobby's Burgers, Nobu, and The Bedford by Martha Stewart at Paris, among others, with additional venues scheduled to open in 2023. Banquets and conventions have contributed to the positive results during the year helping continued growth in hotel occupancy and room rates.

Slot win percentage in Las Vegas during the year ended December 31, 2022 was within our typical range.

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## Regional Segment

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change	
	2022	2021	2020	2022 vs 2021		2021 vs 2020		
<b>Revenues:</b>								
Casino	\$ 4,291	\$ 4,305	\$ 2,079	\$ (14)	(0.3)%	\$ 2,226	107.1 %	
Food and beverage	533	438	211	95	21.7 %	227	107.6 %	
Hotel	616	583	264	33	5.7 %	319	120.8 %	
Other	264	211	106	53	25.1 %	105	99.1 %	
Net revenues	\$ 5,704	\$ 5,537	\$ 2,660	\$ 167	3.0 %	\$ 2,877	108.2 %	
Table game drop	\$ 4,270	\$ 4,163	\$ 2,386	\$ 107	2.6 %	\$ 1,777	74.5 %	
Table game hold %	22.0 %	21.0 %	20.6 %		1 pts		0.4 pts	
Slot handle	\$ 42,853	\$ 42,873	\$ 24,441	\$ (20)	— %	\$ 18,432	75.4 %	
Adjusted EBITDA	\$ 1,985	\$ 1,979	\$ 711	\$ 6	0.3 %	\$ 1,268	178.3 %	
Adjusted EBITDA margin	34.8 %	35.7 %	26.7 %		(0.9) pts		9 pts	
Net income (loss) attributable to Caesars	\$ 463	\$ 637	\$ (349)	\$ (174)	(27.3)%	\$ 986	*	

\* Not meaningful.

Regional segment's net income (loss) decreased during the year ended December 31, 2022 primarily due to impairments of \$108 million recognized during the period, and a non-recurring prior year gain of \$40 million related to our investment in Horseshoe Baltimore. Net revenues and Adjusted EBITDA increased slightly for the year ended December 31, 2022 compared to the same prior year period, in part from the consolidation of Horseshoe Baltimore. Table game volume for the year ended December 31, 2022 remained comparable, however slot volume decreased slightly from strong results during 2021 due to the reduction in supplemental discretionary spend from governmental stimulus. Performance among our Regional properties was affected by a resurgence of the Omicron variant of COVID-19 in the beginning of 2022; however, the Regional segment trended positively due to improved food and beverage offerings, increased hotel revenues and an increase in banquets. We continue to monitor trends observed during the current year of periods of reduced visitation from certain customers most affected by current inflationary pressures whereas visitation from customers not as affected by such pressures remains steady or has slightly improved. Further, renovations and capital projects at Harrah's New Orleans and Atlantic City properties have led to slight disruptions in operations. Despite these headwinds, and the impact of our recent divestitures described above, our results of operations remain strong as compared to pre-pandemic years.

Slot win percentage in the Regional segment during the year ended December 31, 2022 was within our typical range.

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## Caesars Digital Segment

(Dollars in millions)	Years Ended December 31,			Variance 2022 vs 2021	Percent Change	Variance 2021 vs 2020	Percent Change
	2022	2021	2020				
<b>Revenues:</b>							
Casino <sup>(a)</sup>	\$ 462	\$ 296	\$ 84	\$ 166	56.1 %	\$ 212	*
Other	86	41	11	45	109.8 %	30	*
Net revenues	\$ 548	\$ 337	\$ 95	\$ 211	62.6 %	\$ 242	*
Sports betting handle <sup>(b)</sup>	\$ 12,801	\$ 6,046	\$ 30	\$ 6,755	111.7 %	\$ 6,016	*
Sports betting hold %	5.4 %	4.3 %	3.3 %		1.1 pts		1 pts
iGaming handle	\$ 8,073	\$ 5,621	\$ 2,448	\$ 2,452	43.6 %	\$ 3,173	129.6 %
iGaming hold %	3.2 %	3.3 %	3.5 %		(0.1) pts		(0.2) pts
Adjusted EBITDA	\$ (666)	\$ (476)	\$ 26	\$ (190)	(39.9)%	\$ (502)	*
Adjusted EBITDA margin	(121.5)%	(141.2)%	27.4 %		19.7 pts		*
Net income (loss) attributable to Caesars	\$ (790)	\$ (580)	\$ 26	\$ (210)	(36.2)%	\$ (606)	*

\* Not meaningful.

<sup>(a)</sup> Includes total promotional and complimentary incentives related to sports betting, iGaming, and poker of \$542 million, \$187 million and \$28 million for the year ended December 31, 2022, 2021, and 2020, respectively. Promotional and complimentary incentives for poker were \$21 million, \$18 million and \$6 million for the year ended December 31, 2022, 2021, and 2020, respectively.

<sup>(b)</sup> Caesars Digital generated an additional \$1,223 million and \$706 million of sports betting handle for the year ended December 31, 2022 and 2021, respectively, which is not included in this table, for select wholly-owned and third-party operations for which Caesars Digital provides services and we receive all, or a share of, the net profits. Hold related to these operations was 11.0% and 9.7%, for the year ended December 31, 2022 and 2021, respectively. Sports betting handle includes \$50 million and \$40 million for the year ended December 31, 2022 and 2021, respectively, related to horse racing and pari-mutuel wagers.

Caesars Digital includes the operations for our retail and mobile sports betting, online casino, poker and horse racing, which includes our Caesars Sportsbook and Caesars Racebook apps. Caesars Digital's sports betting handle, iGaming handle, and net revenues increased significantly for the year ended December 31, 2022 compared to the same prior year period due to the William Hill Acquisition, the launch of our Caesars Sportsbook app in 2021, and the expansion of sports betting into additional states and jurisdictions subsequent to the acquisition. Net Revenues increased overall during the year ended December 31, 2022 due to higher handle and improved sports betting hold. Net revenues during the first quarter of 2022 were negatively impacted by costs associated with significant promotions offered with the launch of our Caesars Sportsbook, particularly in New York and Louisiana, which included cash bonuses and matched deposits to new customers as sign-on incentives. Following the first quarter, Caesars digital's operations continued to improve for the remainder of 2022, nearly reaching positive net income and adjusted EBITDA during the fourth quarter.

Sports betting and iGaming hold percentages for the year ended December 31, 2022 were within our typical range.

We expect to continue to expand into new jurisdictions with our apps, our Caesars branded retail sportsbooks, and our iGaming applications, to the extent such jurisdictions allow. Historically we have deployed a significant level of marketing spend to build brand awareness and acquire and retain customers when entering new jurisdictions. As a result of our established market presence, we expect to remain strategic with our level of investment in new and existing markets.

As sports betting and online casinos expand through increased state legalization and customer adoption, growth in marketing and promotional costs in highly competitive markets negatively impacts Caesars Digital Adjusted EBITDA and Adjusted EBITDA margins in comparison to prior periods. These periods are not expected to be long in duration as we use our discretion to determine the ongoing level of investment for a particular jurisdiction.

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Managed and Branded Segment

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020	2022 vs 2021		2021 vs 2020	
<b>Revenues:</b>							
Food and beverage	\$ —	\$ —	\$ 1	\$ —	*	\$ (1)	(100.0)%
Other	282	278	106	4	1.4 %	172	162.3 %
Net revenues	\$ 282	\$ 278	\$ 107	\$ 4	1.4 %	\$ 171	159.8 %
Adjusted EBITDA	\$ 84	\$ 87	\$ 25	\$ (3)	(3.4)%	\$ 62	*
Adjusted EBITDA margin	29.8 %	31.3 %	23.4 %		(1.5) pts		7.9 pts
Net income (loss) attributable to Caesars	\$ (301)	\$ 68	\$ 29	\$ (369)	*	\$ 39	134.5 %

\* 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.

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020	2022 vs 2021		2021 vs 2020	
Reimbursable management revenue	\$ 198	\$ 191	\$ 73	\$ 7	3.7 %	\$ 118	161.6 %
Reimbursable management cost	198	191	73	7	3.7 %	118	161.6 %

Corporate & Other

<i>(Dollars in millions)</i>	Years Ended December 31,			Variance	Percent Change	Variance	Percent Change
	2022	2021	2020	2022 vs 2021		2021 vs 2020	
<b>Revenues:</b>							
Casino	\$ (3)	\$ —	\$ —	\$ (3)	*	\$ —	*
Other	3	9	15	(6)	(66.7)%	(6)	(40.0)%
Net revenues	\$ —	\$ 9	\$ 15	\$ (9)	(100.0)%	\$ (6)	(40.0)%
Adjusted EBITDA	\$ (124)	\$ (168)	\$ (101)	\$ 44	26.2 %	\$ (67)	(66.3)%

\* Not meaningful.

**Supplemental Unaudited Presentation of Consolidated Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) for the Years Ended December 31, 2022, 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, equity in (income) loss of unconsolidated affiliates, (gain) loss on the sale or disposal of property and equipment, (gain) loss related to divestitures, changes in the fair value of certain derivatives and transaction costs associated with our acquisitions and divestitures such as (gain) loss on sale, sign-on and retention bonuses, severance expense, business integration and optimization costs, contract exit or termination costs, certain litigation awards and settlements, losses on inventory associated with properties temporarily closed as a result of

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the COVID-19 public health emergency, 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. Adjusted EBITDA 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 VICI Properties Inc. and GLPI 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 years ended December 31, 2022, 2021 and 2020, respectively, in addition to reconciling net income (loss) to Adjusted EBITDA in accordance with GAAP (unaudited):

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Net loss attributable to Caesars	\$ (899)	\$ (1,019)	\$ (1,757)
Net income (loss) attributable to noncontrolling interests	(11)	3	(1)
Discontinued operations, net of income taxes	386	30	20
(Benefit) provision for income taxes	(41)	(283)	132
Other (income) loss <sup>(a)</sup>	(46)	198	(176)
Loss on extinguishment of debt	85	236	197
Interest expense, net	2,265	2,295	1,202
Impairment charges	108	102	215
Depreciation and amortization	1,205	1,126	583
Transaction costs and other <sup>(b)</sup>	90	220	300
Stock-based compensation expense	101	82	79
<b>Adjusted EBITDA</b>	<b>3,243</b>	<b>2,990</b>	<b>794</b>
Pre-consolidation, pre-acquisition, and pre-disposition EBITDA, net <sup>(c)</sup>	—	3	261
<b>Total Adjusted EBITDA</b>	<b>\$ 3,243</b>	<b>\$ 2,993</b>	<b>\$ 1,055</b>

<sup>(a)</sup> Other (income) loss primarily includes the net changes in fair value of (i) investments held by the Company (ii) foreign exchange forward contracts (iii) the disputed claims liability related to Former Caesars' bankruptcy prior to the Merger, and (iv) the derivative liability related to the 5% Convertible Notes, which were fully converted during the year ended December 31, 2021, and the change in the foreign exchange rate associated with restricted cash held in GBP associated with our acquisition of William Hill.

<sup>(b)</sup> Transaction costs and other primarily includes costs related to the William Hill Acquisition, the Merger, various contract or license termination exit costs, professional services for integration activities and non-cash changes in equity method investments partially offset by gains resulting from insurance proceeds received in excess of the respective carrying value of the assets damaged at Lake Charles by Hurricane Laura.

<sup>(c)</sup> 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, William Hill prior to its acquisition on April 22, 2021, and Former Caesars prior to the Merger on July 20, 2020 are added to Adjusted EBITDA. The results of operations for certain properties divested prior to divestiture are subtracted from Adjusted EBITDA. See Item 7 - Overview above. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors for the periods presented. The additional financial information is included to enable the comparison of current results with results of prior periods.

## 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.

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As of December 31, 2022, our cash on hand and revolving borrowing capacity were as follows:

<i>(In millions)</i>	<b>December 31, 2022</b>	
Cash and cash equivalents	\$	1,038
Revolver capacity <sup>(a)</sup>		2,220
Revolver capacity committed to letters of credit		(82)
Revolver capacity committed as regulatory requirement		(48)
<b>Total</b>	<b>\$</b>	<b>3,128</b>

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

During the year ended December 31, 2022, our operating activities generated operating cash inflows of \$1.0 billion, as compared to operating cash inflows of \$1.2 billion during the year ended December 31, 2021 due to the results of operations described above.

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 the acquisition date, our intent was to divest William Hill International, which was held for sale as of the date of the closing of the William Hill Acquisition with such operations reflected within discontinued operations. On April 22, 2021, we completed the acquisition of William Hill PLC for £2.9 billion, or approximately \$3.9 billion.

On September 8, 2021, we entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. In order to manage the risk of changes in the GBP denominated sales price and expected proceeds, the Company entered into foreign exchange forward contracts. On April 7, 2022, we amended the agreement to sell William Hill International to 888 Holdings Plc for a revised enterprise value of approximately £2.0 billion. The amended agreement reflected a £250 million reduction in consideration payable at closing and up to £100 million as deferred consideration to be paid to us, subject to 888 Holdings Plc meeting certain 2023 financial targets. During the year ended December 31, 2022, the Company recorded impairments to assets held for sale of \$503 million within discontinued operations based on the revised and final sales prices.

On July 1, 2022, we completed the sale of William Hill International to 888 Holdings Plc and outstanding borrowings under the Bridge Credit Agreement were immediately repaid. After the repayment of the Bridge Credit Agreement, other permitted leakage, and the settlement of related forward contracts, we received net proceeds of \$730 million. Including open market repurchases and repayments, we utilized all \$730 million to reduce our outstanding debt.

On October 5, 2022, we entered into a third amendment to the CEI Credit Agreement (the "Third Amendment") which provided for an aggregate principal amount of \$750 million senior secured term loan (the "CEI Term Loan A" and together with the CEI Revolving Credit Facility, as so amended, the "Amended CEI Revolving Credit Facility," the "Senior Credit Facilities") as a new term loan under the credit agreement, increased the aggregate principal amount of the CEI Revolving Credit Facility to \$2.25 billion and made certain other amendments to the credit agreement. Both the Amended CEI Revolving Credit Facility and the CEI Term Loan A mature on January 31, 2028, subject to a springing maturity in the event our certain other long-term debt is not extended or repaid. The Amended CEI Revolving Credit Facility includes a letter of credit sub-facility of \$388 million. Concurrently with the closing of the Senior Credit Facilities, we terminated the CRC Revolving Credit Facility and utilized the entire proceeds of the CEI Term Loan A of \$750 million to make a partial prepayment of the outstanding principal balance of the CRC Term Loan.

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

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Additionally, on February 6, 2023, Caesars entered into an Incremental Assumption Agreement No. 2 pursuant to which the Company incurred a new senior secured term loan facility in an aggregate principal amount of \$2.5 billion (the “CEI Term Loan B”) as a new term loan under the CEI Credit Agreement. The Term Loan B requires scheduled quarterly amortization payments in amounts equal to 0.25% of the original aggregate principal amount of the CEI Term Loan B, with the balance payable at maturity. Borrowings under the CEI Term Loan B bear interest at a rate equal to, at the Company’s option, either (a) a forward-looking term rate based on the secured overnight financing rate for the applicable interest period plus an adjustment of 0.10% per annum (“Adjusted Term SOFR”), subject to a floor of 0.50% or (b) a base rate (the “Base Rate”) determined by reference to the highest of (i) the rate of interest per annum last quoted by The Wall Street Journal as the “Prime Rate” in the United States, (ii) the federal funds rate plus 0.50% per annum and (iii) the one-month Adjusted Term SOFR plus 1.00% per annum, in each case, plus an applicable margin. Such applicable margin is 3.25% per annum in the case of any Adjusted Term SOFR loan and 2.25% per annum in the case of any Base Rate loan, subject to one 0.25% step-down based on the Company’s net total leverage ratio. The CEI Term Loan B was issued at a price of 99.0% of the principal amount and will mature in February 2030.

The net proceeds from the issuance of the CEI Senior Secured Notes due 2030 and the net proceeds from the CEI Term Loan B were used to repay the outstanding principal balance, including accrued and unpaid interest, of both the CRC Term Loan and the CRC Incremental Term Loan. The remaining net proceeds were to be used to pay related fees, or for general corporate use. Upon the termination of the CRC Term Loan and the CRC Incremental Term Loan, the Company recorded a loss on extinguishment of debt of approximately \$200 million.

We expect that our primary capital requirements going forward will relate to the expansion and maintenance of our properties, taxes, servicing our outstanding indebtedness, and rent payments under our GLPI Master Lease, the VICI Leases and other leases. We make capital expenditures and perform continuing refurbishment and maintenance at our properties to maintain our quality standards. Our capital expenditure requirements for 2023 include expansion projects, the rebranding of certain properties, implementation and migration of states to our Liberty platform and continued investment into new markets with our Caesars Sportsbook and iGaming applications in our Caesars Digital segment. In addition, we may, from time to time, seek to repurchase 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.

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

In 2020, we funded \$400 million 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 December 31, 2022, our restricted cash balance in the escrow account was \$118 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. The capital investment is expected to include a renovation and full interior and exterior redesign, updated casino floor, new culinary experiences and a new 340-room hotel tower as we are also in the process of rebranding the property as Caesars New Orleans. The project has a current capital plan of approximately \$430 million as of December 31, 2022. Total capital expenditures have been \$112 million since the project began.

On August 27, 2020, Hurricane Laura made landfall on Lake Charles as a Category 4 storm, severely damaged the Isle of Capri Casino Hotel Lake Charles. During the year ended December 31, 2022, we reached a final settlement agreement with the insurance carriers for a total amount of \$128 million, before our insurance deductible of \$25 million. We have received a total of \$103 million related to damaged fixed assets, remediation costs and business interruption. The construction of our new land-based casino Horseshoe Lake Charles was completed and reopened in December 2022.

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Cash spent for capital expenditures totaled \$952 million, \$520 million, \$164 million for the years ended December 31, 2022, 2021 and 2020, respectively, related to our growth, renovation, maintenance, and other capital projects. The following table summarizes our estimates for 2023 capital expenditures:

<i>(In millions)</i>	<b>Low</b>	<b>High</b>
Atlantic City	\$ 118	\$ 118
Indiana racing operations	—	10
Total estimated capital expenditures from restricted cash	118	128
Growth and renovation projects	445	465
Caesars Digital	105	115
Maintenance projects	250	310
Total estimated capital expenditures from unrestricted cash	800	890
Caesars Virginia <sup>(a)</sup>	200	285
<b>Total</b>	<b>\$ 1,118</b>	<b>\$ 1,303</b>

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

A significant portion of our liquidity needs are for debt service and payments associated with our leases. Our estimated debt service (including principal and interest) is approximately \$1.0 billion for 2023. We also lease certain real property assets from third parties, including VICI and GLPI. Our leases with VICI are subject to annual escalations based on the Consumer Price Index (“CPI”). The increase in the CPI over the prior year resulted in an increase in our annual lease payments to VICI, which took effect in November 2022. We estimate our lease payments to VICI and GLPI to be approximately \$1.3 billion for 2023.

We have periodically divested assets to raise capital or, in previous cases, to comply with conditions, terms, obligations or restrictions imposed by antitrust, gaming and other regulatory entities. In addition to the divestiture of William Hill International, as described above, on May 5, 2022, we consummated the sale of the equity interests of Baton Rouge to CQ Holding Company, Inc.

On April 6, 2021, the Company consummated the sale of the equity interests of MontBleu for \$15 million. The purchase price was collected in April 2022.

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

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

### **Debt and Master Lease Covenant Compliance**

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

The Amended CEI Revolving Credit Facility and the CEI Term Loan A include a maximum net total leverage ratio financial covenant of 7.25:1 until December 31, 2024 and 6.50:1 from and after December 31, 2024. In addition, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a minimum fixed charge coverage ratio financial covenant of 1.75:1 until December 31, 2024 and 2.00:1 from and after December 31, 2024. From and after the repayment of the CEI Term Loan A, the financial covenants applicable to the Amended CEI Revolving Credit Facility will be tested solely to the extent that certain testing conditions are satisfied. The Baltimore Revolving Credit Facility includes a net senior secured leverage ratio financial covenant of 5.0:1. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document.

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

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As of December 31, 2022, we were in compliance with all of the applicable financial covenants described above.

### **Share Repurchase Program**

On November 8, 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 December 31, 2022, 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 years ended December 31, 2022 or 2021.

### **Debt Obligations and Leases**

#### Baltimore Term Loan and Baltimore Revolving Credit Facility

As a result of our increased ownership interest in Horseshoe Baltimore, we began to consolidate the aggregate principal amount of Horseshoe Baltimore’s senior secured term loan facility (the “Baltimore Term Loan”) and amount outstanding, if any, under Horseshoe Baltimore’s senior secured revolving credit facility (the “Baltimore Revolving Credit Facility”). The Baltimore Term Loan matures in July 2024 and is subject to a variable rate of interest calculated as LIBOR plus 4.00%. The Baltimore Revolving Credit Facility has borrowing capacity of up to \$10 million, subject to a variable rate of interest calculated as Term SOFR plus 4.00% subject to one 0.25% step-down based on senior secured leverage ratio, the ratio of first lien senior secured net debt to Adjusted EBITDA. On June 24, 2022, we entered into an amendment related to the Baltimore Revolving Credit Facility to extend the maturity date to July 7, 2023. As of December 31, 2022, there was \$10 million of available borrowing capacity under the Baltimore Revolving Credit Facility. On November 14, 2022, we made partial prepayment of \$10 million of the outstanding principal balance of the Baltimore Term Loan.

#### CRC Term Loans and CRC Revolving Credit Facility

The CRC Term Loan, the CRC Incremental Term Loan and the CRC Revolving Credit Facility were subject to the terms described below prior to termination or repayment. The CRC Revolving Credit Facility was terminated in October 2022 and on February 6, 2023, the Company repaid the CRC Term Loan and the CRC Incremental Term Loan with proceeds from a new CEI Term Loan B and new CEI Senior Secured Notes, both due 2030. See “Subsequent Amendment to the CEI Credit Agreement and issuance of New Senior Secured Notes” below.

CRC was party to a credit agreement, dated as of December 22, 2017 (as amended, the “CRC Credit Agreement”), which provided for a \$1.0 billion five-year revolving credit facility (the “CRC Revolving Credit Facility”) an initial \$4.7 billion seven-year senior secured term loan (the “CRC Term Loan”), and an incremental \$1.8 billion five-year senior secured term loan that was incurred in connection with the Merger (the “CRC Incremental Term Loan”).

The CRC Term Loan had a maturity date in December 2024 and the CRC Incremental Term Loan had a maturity date in July 2025. The CRC Term Loan and the CRC Incremental Term Loan required scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balances due at maturity. The CRC Credit Agreement also included customary voluntary and mandatory prepayment provisions, subject to certain exceptions.

The CRC Revolving Credit Facility contained a maturity date in December 2022 and included a \$400 million letter of credit sub-facility.

Borrowings under the CRC Credit Agreement were subject to interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan, and (b) with respect to the CRC Incremental Term Loan, 3.50% per annum in the case of any LIBOR loan or 2.50% in the case of any base rate loan. The CRC Term Loan and the CRC Incremental Term Loan were LIBOR based loans as of December 31, 2022.

During the year ended December 31, 2022, the Company utilized and fully repaid borrowings on the CRC Revolving Credit Facility, prior to its termination. Additionally, the Company made several partial prepayments of outstanding principal of the CRC Term Loan utilizing operating cash flows totaling \$300 million, excluding the prepayments resulting from the proceeds of

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the CEI Term Loan A described below, and recognized a related \$16 million loss on the early extinguishment of debt during the year ended December 31, 2022.

Following the closing of the sale of William Hill International, we utilized the proceeds from the sale, as well as cash on hand to make partial prepayments totaling \$755 million of the outstanding principal of the CRC Incremental Term Loan and recognized a \$27 million loss on the early extinguishment of debt during the year ended December 31, 2022.

On October 5, 2022, in connection with the Third Amendment (as defined below) to the CEI Credit Agreement, we utilized the entire proceeds of a new \$750 million CEI Term Loan A (as defined below) to make a partial prepayment of the outstanding principal of the CRC Term Loan, as well as terminate the CRC Revolving Credit Facility. As a result of the partial prepayment, we recognized a \$41 million loss on the early extinguishment of debt. See below.

#### CEI Term Loan A and CEI Revolving Credit Facility

CEI is party to a credit agreement, dated as of July 20, 2020, with JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent, and certain banks and other financial institutions and lenders party thereto (the “CEI Credit Agreement”) which provided 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 contained reserves of \$190 million which are available only for certain permitted uses. On May 23, 2022, the Company obtained approval for a reduction of \$150 million in required reserves. Prior to the amendment described below, the CEI Revolving Credit Facility was scheduled to mature in July 2025 and included a letter of credit sub-facility of \$250 million.

Prior to the Third Amendment (as defined below) of the CEI Credit Agreement on October 5, 2022, 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) rate of interest per annum last quoted by The Wall Street Journal as the “Prime Rate” in the United States and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin was 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 net total leverage ratio.

Additionally, prior to the Third Amendment (as defined below) of the CEI Credit Agreement, we were required to pay a commitment fee in respect of any unused commitments under the CEI Revolving Credit Facility in the amount of 0.50% per annum, subject to a step-down to 0.375% per annum based upon the Company’s net total leverage ratio. We were 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% per annum of the daily stated amount of such letter of credit.

On October 5, 2022, Caesars entered into a Third Amendment to the CEI Credit Agreement pursuant to which the Company (a) incurred a senior secured term loan in an aggregate principal amount of \$750 million (the “CEI Term Loan A”) as a new term loan under the credit agreement, (b) amended and extended the CEI Revolving Credit Facility under the CEI Credit Agreement (the CEI Revolving Credit Facility, as so amended, the “Amended CEI Revolving Credit Facility” and, together with the CEI Term Loan A, the “Senior Credit Facilities”), (c) increased the aggregate principal amount of the CEI Revolving Credit Facility to \$2.25 billion, and (d) made certain other amendments to the CEI Credit Agreement. Both the Amended CEI Revolving Credit Facility and the new CEI Term Loan A mature on January 31, 2028, subject to a springing maturity in the event certain other long-term debt of Caesars is not extended or repaid. The Amended CEI Revolving Credit Facility includes a letter of credit sub-facility of \$388 million. The CEI Term Loan A requires scheduled quarterly payments in amounts equal to 1.25% of the original aggregate principal amount of the CEI Term Loan A, with the balance payable at maturity. The Company may make voluntary prepayments of the CEI Term Loan A at any time prior to maturity at par.

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

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As a December 31, 2022, we had \$2.1 billion of available borrowing capacity under the Amended CEI Revolving Credit Facility, after consideration of \$82 million in outstanding letters of credit, \$48 million committed for regulatory purposes and the reserves described above.

#### *Subsequent Amendment to the CEI Credit Agreement and issuance of New Senior Secured Notes*

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

Additionally, on February 6, 2023, Caesars entered into an Incremental Assumption Agreement No. 2 pursuant to which the Company incurred a new senior secured term loan facility in an aggregate principal amount of \$2.5 billion (the “CEI Term Loan B”) as a new term loan under the CEI Credit Agreement. The CEI Term Loan B was issued at a price of 99.0% of the principal amount and will mature in February 2030. Interest under the CEI Term Loan B is based on the forward looking SOFR plus an adjustment of 0.10%, subject to a floor of 0.50%, plus an applicable margin of 3.25% which is subject to one 0.25% step-down based on the Company’s net total leverage ratio.

The net proceeds from the issuance of the CEI Senior Secured Notes due 2030 and the net proceeds from the CEI Term Loan B, were used to repay the outstanding principal balance, including accrued and unpaid interest, of both the CRC Term Loan and the CRC Incremental Term Loan. The remaining net proceeds were to be used to pay related fees, or for general corporate use. Upon the termination of the CRC Term Loan and the CRC Incremental Term Loan, the Company recorded a loss on extinguishment of debt of approximately \$200 million.

#### *CRC Senior Secured Notes due 2025*

On July 6, 2020, Colt Merger Sub, Inc. (the “Escrow Issuer”) issued \$1.0 billion in aggregate principal amount of 5.75% Senior Secured Notes due 2025 pursuant to an indenture, dated July 6, 2020 (the “CRC Senior Secured Notes”), by and among the Escrow Issuer, U.S. Bank National Association, as trustee and Credit Suisse AG, Cayman Islands Branch, as collateral agent. 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 rank equally with all existing and future first priority lien obligations of CRC, CRC Finco, Inc. and the subsidiary guarantors. The CRC Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year. During the year ended December 31, 2022, we purchased a total of \$11 million in principal amount of the CRC Senior Secured Notes.

#### *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 rank equally with all existing and future first-priority lien obligations of the Company and the subsidiary guarantors. 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, we 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 on the anniversary of the closing date to a maximum interest rate of 8.3% per annum.

#### *CEI Senior Notes due 2027*

On July 6, 2020, the Escrow Issuer issued \$1.8 billion in aggregate principal amount of 8.125% Senior Notes due 2027 pursuant to an indenture, dated July 6, 2020 (the “CEI Senior Notes due 2027”), by and between the Escrow Issuer and U.S. Bank National Association, as trustee. We assumed the rights and obligations under the CEI Senior Notes due 2027 and the indenture governing such notes on July 20, 2020. The CEI Senior Notes due 2027 rank equally with all existing and future senior unsecured indebtedness of the Company and the subsidiary guarantors. The CEI Senior Notes due 2027 will mature on July 1, 2027 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year. During the year ended December 31, 2022, we purchased a total of \$89 million in principal amount of the CEI Senior Notes due 2027.

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### CEI Senior Notes due 2029

On September 24, 2021, we issued \$1.2 billion in aggregate principal amount of 4.625% Senior Notes due 2029 (the “CEI Senior Notes due 2029”) pursuant to an indenture dated as of September 24, 2021 between the Company and U.S. Bank National Association, as Trustee. The CEI Senior Notes due 2029 rank equally with all existing and future senior unsecured indebtedness of the Company and the subsidiary guarantors. The CEI Senior Notes due 2029 will mature on October 15, 2029 with interest payable on April 15 and October 15 of each year, which began on April 15, 2022.

### VICI Leases

CEI leases certain real property assets from VICI under the following agreements: (i) for a portfolio of properties located throughout the United States (the “Regional Lease”), (ii) for Caesars Palace Las Vegas and Harrah’s Las Vegas (the “Las Vegas Lease”), and (iii) for Harrah’s Joliet Hotel & Casino (the “Joliet Lease”). The lease agreements, inclusive of all amendments, include (i) a 15-year initial term with four five-year renewal options, (ii) annual fixed rent payments of \$1.1 billion, subject to annual escalation provisions based on the CPI and a 2% floor commencing in lease year two of the initial term and (iii) a variable element based on net revenues of the underlying leased properties, commencing in lease year eight of the initial term.

The Regional Lease includes a put-call option whereby the Company may require VICI to purchase and lease back (as lessor) or whereby VICI may require the Company to sell to VICI and lease back (as lessee) the real estate components of the gaming and racetrack facilities of Harrah’s Hoosier Park Racing & Casino and Indiana Grand (“Centaur properties”). Election to exercise the option by either party must be made during the election period beginning January 1, 2022 and ending December 31, 2024. Upon either party exercising their option, the Centaur properties would be sold at a price in accordance with the agreement and leased back to CEI in accordance to the pre-existing terms of the Regional Lease.

Our VICI Leases are accounted for as a financing obligation and totaled \$11.3 billion as of December 31, 2022. See Note 10 to our Financial Statements for additional information about our VICI Leases and related matters.

### GLPI Leases

The GLPI Master Lease, encompassing a portfolio of properties within the United States, provides for the lease of land, buildings, structures and other improvements on the land (including barges and riverboats), easements and similar appurtenances to the land and improvements relating to the operation of the leased properties. The GLPI Master Lease, inclusive of all amendments, provides for (i) an initial term of 20 years (through September 2038), with four five-year renewals at the Company’s option, (ii) annual land and building base rent of \$24 million and \$63 million, (iii) escalating provisions of building base rent equal to 101.25% of the rent for the preceding year for lease years five and six, 101.75% for lease years seven and eight and 102% for each lease year thereafter and (iv) relief from the operating, capital expenditure and financial covenants in the event of involuntary closures.

The Lumière Lease was entered into by the Company and GLPI, whereby the Company sold the real estate underlying Horseshoe St. Louis, formerly known as Lumière, to GLPI and leased back the property under a long-term financing obligation. The Lumière Lease, inclusive of all amendments, provides for (i) an initial term commencing on September 29, 2020 and ending on October 31, 2033, (ii) four five-year renewal options, (iii) annual rent payments of \$23 million, (iv) escalation provisions commencing in lease year two equal to 101.25% of the rent for the preceding year for lease years two through five, 101.75% for lease years six and seven and 102% for each lease year thereafter, (v) maintaining a minimum of 1.20:1 adjusted revenue to rent ratio and (vi) certain relief under the financial covenant in the event of involuntary closures.

The GLPI Leases are accounted for as financing obligations and totaled \$1.2 billion as of December 31, 2022. See Note 10 to our Financial Statements for additional information about our GLPI Leases and related matters.

### **Other Liquidity Matters**

We are faced with certain contingencies, from time to time, involving litigation, claims, assessments, environmental remediation or compliance. These commitments and contingencies are discussed in greater detail in “Part I, Item 3. Legal Proceedings” and Note 11 to our Financial Statements, both of which are included elsewhere in this Annual Report on Form 10-K. In addition, new competition among retail and online operations 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 elsewhere in this Annual Report on Form 10-K.

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## Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with GAAP. In preparing our financial statements, we have made our best estimates and judgments of the amounts and disclosures included in the financial statements, giving regard to materiality. When more than one accounting principle, or method of its application, is generally accepted, we select the principle or method that we consider to be the most appropriate under specific circumstances. Application of these accounting principles requires us to make estimates about the future resolution of existing uncertainties. Certain of our accounting policies, including those in connection with business combinations, income taxes, goodwill and indefinite lived intangible assets, long-lived assets, allowance for doubtful accounts related to certain gaming receivables, self-insurance reserves, and litigation, claims and assessments require that we apply significant judgment in defining the appropriate assumptions for calculating financial estimates.

We consider accounting estimates to be critical accounting policies when:

- the estimates involve matters that are highly uncertain at the time the accounting estimate is made; and
- different estimates or changes to estimates could have a material impact on the reported financial position, changes in financial position, or results of operations.

By their nature, these judgments and estimates are subject to an inherent degree of uncertainty. Our judgments and estimates are based on our historical experience, terms of existing contracts, observance of trends in the industry, information gathered from customer behavior, and information available from other outside sources, as appropriate. Due to the inherent uncertainty involving judgments and estimates, actual results may differ from those estimates.

Our most critical accounting estimates and assumptions are in the following areas:

### Business Combinations

We applied the provisions of Accounting Standards Codification (“ASC”) Topic 805, “Business Combinations,” in the accounting for our acquisitions of Former Caesars, William Hill PLC, and our additional interest in Horseshoe Baltimore. It required us to recognize the assets acquired and the liabilities assumed at their acquisition date fair values, which were determined using market, income, and cost approaches, or a combination. Goodwill as of the respective acquisition dates was measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. Goodwill is generally the result of expected synergies of the combined company or an assembled workforce.

Indefinite-lived intangible assets acquired primarily include trademarks, Caesars Rewards acquired in the Merger 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.

Acquired trademarks, developed technology and Caesars Rewards were valued using the relief from royalty method, which presumes that without ownership of such trademarks, technology, or loyalty program, we would have to make a stream of payments to a third party in return for the right to use their name, technology, or program. By virtue of this asset, we avoid any such payments and record the related intangible value of the Company’s ownership of the brand name, technology, or program.

Customer relationships were valued using the cost approach and the incremental cash flow method under the income approach. The incremental cash flow method compares 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.

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 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.

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 acquisition date. Assets and liabilities held for sale were recorded at fair value, less costs to sell, based on the agreements reached as of the acquisition date, or an income approach.

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The fair value of the financing obligations was 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.

Reacquired rights were valued using the excess earnings method 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 the valuation was adjusted for the settlement of the preexisting relationship as a component of the purchase consideration.

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.

Assets and liabilities which are designated as held for sale on an acquisition date are also measured at fair value, utilizing similar market, income and cost approaches described above, based on the underlying asset class held for sale.

Cash flow estimates are significant to many valuations described above and may include forecasts with assumptions regarding factors such as recent and budgeted operating performance, future growth rates, and the determination of appropriate discount rates to estimate fair value. These inputs involve significant assumptions including the future effects of COVID-19 as well as the realization of synergies anticipated from a business combination, which may not be realized as projected. Certain assumptions may be beyond our control.

### Income Taxes

We and our subsidiaries file income tax returns with federal, state and foreign jurisdictions. Our income tax returns are subject to examination by the Internal Revenue Service (“IRS”) and other tax authorities. Positions taken in tax returns are sometimes subject to uncertainty in the tax laws and may not ultimately be accepted by the IRS or other tax authorities. See Note 17 in the accompanying consolidated financial statements for a discussion of the status and impact of examinations by tax authorities.

We record income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the expected future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and as attributable to operating loss and tax credit carryforwards. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on the “more likely than not” realization threshold. This assessment considers, among other matters, the nature, frequency, and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

When there is a recent history of operating losses and negative normalized earnings and a return to operating profitability has not yet been demonstrated, we cannot rely on projections of future taxable earnings for purposes of assessing recoverability of our deferred tax assets. In such cases, we use systematic and logical methods to estimate when deferred tax liabilities will reverse and generate taxable income and when deferred tax assets will reverse and generate tax deductions. Our most significant deferred tax asset relates to the failed sale-leaseback obligation with VICI and GLPI (see Note 10). The reversal of this deferred tax asset requires judgment and estimates and has a material impact on the determination of the amount of valuation allowance required.

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As of December 31, 2022, the Company had federal and state net operating loss carryforwards of \$1.9 billion and \$9.2 billion, respectively and federal general business tax credit and research tax credit carryforwards of \$129 million, which will expire on various dates as follows:

<u>Year of Expiration</u> (In millions)	Net Operating Losses		Tax Credits
	Federal	States	Federal
2023-2027	—	530	—
2028-2032	914	1,376	39
2033-2042	589	5,030	90
Do not expire	437	2,219	—
	<u>\$ 1,940</u>	<u>\$ 9,155</u>	<u>\$ 129</u>

As of December 31, 2022, total federal and state deferred tax assets are \$4.2 billion of which we believe it is more likely than not that a portion of the associated benefit will not be realized and, as a result, we have provided for a valuation allowance of \$1.8 billion. However, we have recently observed positive trends in our operating results and if these trends continue, in the foreseeable future we may determine that we will be able to realize a significant portion of these deferred tax assets. A future reversal of the valuation allowance on our deferred tax assets could result in an income tax benefit of \$0.9 billion to \$1.2 billion.

Under the applicable accounting standards, we may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The accounting standards also provide guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and disclosure requirements for uncertain tax positions.

#### Goodwill and Other Indefinite-lived Intangible Assets

Assessing goodwill and indefinite-lived intangible assets for impairment is a process that requires significant judgment and involves detailed qualitative and quantitative business-specific analysis and many individual assumptions which fluctuate between assessments.

We determine the estimated fair value of each reporting unit based on a combination of EBITDA, valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at the test date. EBITDA multiples and discounted cash flows are common measures used to value businesses in our industry.

We determine the fair value of our indefinite-lived intangible assets using either the relief from royalty method or the excess earnings method under the income approach or replacement cost market approach. The determination of fair value of our reporting units and indefinite-lived intangible assets requires management to make significant assumptions and estimates around the forecasts as well as the selection of discount rates and valuation multiples. Changes in these estimates could have a significant impact on the fair value of our reporting units, intangible assets and result in potential impairment.

Forecasts and the determination of appropriate discount rates and valuation multiples used to determine the fair value of our reporting units and indefinite-lived intangible assets involves significant assumptions and estimates. Assumptions include those used to assess future effects of COVID-19 as well as the realization of synergies anticipated from acquisitions which may not be realized at the projected rate.

We completed our annual impairment tests as of October 1, 2022. The estimated fair values of certain of our indefinite lived intangible assets and reporting units decreased primarily due to an increase in the related discount rates, which represents the higher required cost of capital as a result of the macroeconomic environment and projected outlook. Accordingly, we identified one reporting unit with which the estimated fair value of the associated gaming rights was less than the carrying value and we recorded an impairment of \$30 million. In addition, we identified two reporting units with which the estimated fair value of the respective reporting unit was below the carrying value and we recorded a total impairment of \$78 million to goodwill. These reporting units are all within the Regional segment.

As of October 1, 2022, one reporting unit in the Las Vegas segment and four reporting units in the Regional segment with goodwill totaling \$625 million and \$1.1 billion, respectively, had fair values that did not significantly exceed their respective



carrying values. In addition, we identified trademarks totaling \$286 million in the Las Vegas segment, \$180 million in the Caesars Digital segment, and gaming rights totaling \$173 million in the Regional segment that do not significantly exceed their respective carrying values. The reporting units and indefinite lived intangible assets with carrying values that do not significantly exceed their estimated fair values are primarily assets acquired in the Merger when our discount rate was approximately 9.5%. The discount rate used in our annual impairment testing as of October 1, 2022 was approximately 11.5%. To the extent gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we may recognize further impairments, and such impairments could be material. The discount rate represents the most sensitive input in our estimates and an increase of 1% to the discount rate would result in additional impairments of approximately \$125 million on the assets that do not significantly exceed their carrying values. In addition, \$468 million of goodwill within our Regional segment is associated with reporting units with zero or negative carrying value. See Note 7 for additional information.

#### Long-Lived Assets

We have significant capital invested in our long-lived assets, and judgments are made in determining the estimated useful lives of assets, salvage values to be assigned to assets, and if or when an asset has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in our financial results and whether we have a gain or loss on the disposal of an asset. We assign lives to our assets based on our standard policy, which is established by management as representative of the useful life of each category of asset. We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The factors considered by management in performing this assessment include current operating results, trends and prospects, planned construction and renovation projects, as well as the effect of obsolescence, demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for most of our assets, is the individual property. See Note 6 for additional information.

#### Allowance for Doubtful Accounts - Gaming

We reserve an estimated amount for gaming receivables that may not be collected to reduce the Company's receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates and reasonable forecasts are considered, as are customer relationships, in determining specific reserves to reflect current expected credit loss. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for allowance for doubtful accounts. As of December 31, 2022, a 5% increase or decrease to the allowance determined based on a percentage of aged receivables would change the reserve by approximately \$15 million.

#### Self-Insurance Reserves

We are self-insured for various levels of general liability, employee medical insurance coverage and workers' compensation coverage. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of estimates for claims incurred but not yet reported. We utilize independent consultants to assist management in its determination of estimated insurance liabilities. While the total cost of claims incurred depends on future developments, in managements' opinion, recorded reserves are adequate to cover future claims payments. Self-insurance reserves for employee medical claims, workers' compensations and general liability claims are included self-insurance claims and reserves within Accrued other liabilities on the 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.

#### Litigation, Claims and Assessments

We utilize estimates for litigation, claims and assessments. These estimates are based on our knowledge and experience regarding current and past events, as well as assumptions about future events. If our assessment of such a matter should change, we may have to change the estimates, which may have an adverse effect on our financial position, results of operations or cash flows. Actual results could differ from these estimates.

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## Recently Issued Accounting Pronouncements

For information with respect to recent accounting pronouncements and the impact of these pronouncements on our Financial Statements, see Note 2, *Summary of Significant Accounting Policies – Recently Issued Accounting Pronouncements*, in the Notes.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

### Interest Rate Risk

As of December 31, 2022, the face value of our long-term debt was \$13.1 billion, including variable-rate long-term borrowings of \$5.4 billion. No amounts were outstanding under our revolving credit facilities.

As a result of the Merger, we assumed interest rate swaps to manage the mix of debt between fixed and variable rate instruments. During the year ended December 31, 2022, we had four interest rate swap agreements to fix the interest rate on \$1.3 billion of variable rate debt related to the CRC Credit Agreement. The interest rate swaps were designated as cash flow hedging instruments. The difference to be paid or received under the terms of the interest rate swap agreements was accrued as interest rates changed and recognized as an adjustment to interest expense at settlement. The term of the interest rate swaps ended on December 31, 2022.

We do not purchase or hold any derivative financial instruments for trading purposes.

The table below provides information as of December 31, 2022 about our fixed rate and variable rate financial instruments that are sensitive to changes in interest rates, including the cash flows associated with amortization and average interest rates. Principal amounts are used to calculate the payments to be exchanged under the related agreements and average variable rates are based on implied forward rates in the yield curve as of December 31, 2022 and should not be considered a predictor of actual future interest rates.

<i>(Dollars in millions)</i>	Expected Maturity Date						Total	Fair Value
	2023	2024 <sup>(a)</sup>	2025 <sup>(a)</sup>	2026	2027	Thereafter		
Liabilities								
Long-term debt								
Fixed rate	\$ 2	\$ 2	\$ 4,792	\$ 2	\$ 1,613	\$ 1,238	\$ 7,649	\$ 7,298
Average interest rate	4.3 %	4.3 %	6.3 %	4.3 %	8.1 %	4.6 %	6.4 %	
Variable rate	\$ 106	\$ 3,688	\$ 1,005	\$ 38	\$ 38	\$ 561	\$ 5,436	\$ 5,377
Average interest rate	7.1 %	7.2 %	7.8 %	6.7 %	6.7 %	6.7 %	7.3 %	

<sup>(a)</sup> Maturities of \$3.4 billion in 2024 and \$1.0 billion in 2025 of variable rate debt were repaid with the net proceeds of the \$2.5 billion CEI Term Loan B and the \$2.0 billion CEI Senior Secured Notes due 2030.

As of December 31, 2022, borrowings outstanding under our credit facilities were variable-rate borrowings. Assuming a 100 basis-point increase in LIBOR and Term SOFR, our annual interest cost would change by \$54 million based on gross amounts outstanding at December 31, 2022.

LIBOR was discontinued by lending institutions for new debt agreements and after June 30, 2023 no additional LIBOR rates are expected to be available. We have variable rate debt instruments which are subject to LIBOR and Term SOFR interest rates plus a reasonable margin. Our CRC Term Loan and CRC Incremental Term loan are LIBOR based loans as of December 31, 2022. As previously described, subsequent to December 31, 2022 we repaid both our CRC Term Loan and CRC Incremental Term Loan and our interest rate swaps matured on December 31, 2022.

### Foreign Exchange Rate Risks

We entered into several foreign exchange forward contracts with third parties to hedge the risk of fluctuations in the foreign exchange rates between USD and GBP. During the years ended December 31, 2022 and 2021, we recorded a gain of \$73 million and \$23 million, respectively, related to forward contracts, which was recorded in the Other income (loss) on the Statements of Operations. All forward contracts have been settled as of July 1, 2022.

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## Item 8. Financial Statements and Supplementary Data

### INDEX TO CONSOLIDATED FINANCIAL STATEMENTS OF CAESARS ENTERTAINMENT, INC.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Caesars Entertainment, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Caesars Entertainment, Inc. and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), stockholders’ equity, and cash flow for each of the three years in the period ended December 31, 2022, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2023, expressed an unqualified opinion on the Company’s internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating a critical audit matter, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Goodwill and Indefinite-lived Intangible Assets – Refer to Note 7 to the Financial Statements***

#### *Critical Audit Matter Description*

The Company reviews goodwill and indefinite-lived intangible assets for impairment at least annually and between annual test dates in certain circumstances. The Company performs its impairment test by comparing the fair value of each reporting unit with the carrying amount. The Company determines the estimated fair value of each reporting unit based on a combination of earnings before interest, taxes, depreciation and amortization (“EBITDA”), valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. The Company also evaluates the aggregate fair value of all the reporting units and other non-operating assets in comparison to its aggregate debt and equity market capitalization at the test date.

Indefinite-lived intangible assets consist primarily of trademarks, expenditures associated with obtaining racing and gaming licenses, and Caesars Rewards. The Company uses the Excess Earnings Method and Cost Approach to determine the estimated fair value of gaming rights and uses the relief from royalty method to determine the estimated fair value of trademarks and Caesars Rewards.

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The Company performed its annual impairment assessment as of October 1, 2022. The Company's goodwill balance was \$11,004 million as of December 31, 2022, of which \$625 million and \$1.1 billion was related to one reporting unit in the Las Vegas segment and four reporting units in the Regional segment, respectively, which had estimated fair values that did not significantly exceed their respective carrying values.

The Company's indefinite-lived intangibles balance was \$3,654 million as of December 31, 2022, of which trademarks totaling \$286 million and \$180 million in the Las Vegas and Caesars Digital segments, respectively, and gaming rights totaling \$173 million in the Regional segment, had estimated fair values that do not significantly exceed their respective carrying values.

The determination of fair value of its reporting units and indefinite-lived intangible assets requires management to make significant assumptions and estimates around forecasts and the selection of discount rates. Therefore, our audit procedures to evaluate the reasonableness of management's forecasts required a higher degree of auditor judgment as well as an increased level of audit effort and the need to use more experienced audit professionals. In addition, the selection of discount rates involved a higher degree of auditor judgment and subjectivity as well as an increased level of audit effort, including the involvement of valuation specialists.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to management's forecasts and the selection of discount rates used by management to determine the fair value of the Company's reporting units and indefinite-lived intangible assets included the following, among others:

- We tested the effectiveness of the Company's internal controls over the forecasts and the selection of discount rates.
- We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.
- We evaluated the assumptions and estimates included in management's forecasts by: 1) comparing the forecasts to information included in the Company's communications to the Board of Directors, gaming industry reports, and analyst reports for the Company and certain of its peer companies; 2) conducting inquiries with property management; 3) considering the impact of changes in the competitive and regulatory environment on management's projections; 4) assessing the reasonableness of strategic plans incorporated by management into the projections and 5) evaluating management's estimate of the impact of any related expansion of gaming activities by analyzing historical information.
- With the assistance of our valuation specialists, we evaluated the discount rates selected by management, including assessing the impact of the uncertainty in the forecasts on the discount rates, testing the market-based source information underlying the selection of the discount rates and the mathematical accuracy of the discount rate calculations, and developing a range of independent estimates and comparing those to the discount rates selected by management.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada  
February 21, 2023

We have served as the Company's auditor since 2020.

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**CAESARS ENTERTAINMENT, INC.  
CONSOLIDATED BALANCE SHEETS**

<i>(Dollars in millions, except par value)</i>	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,038	\$ 1,070
Restricted cash	131	319
Accounts receivable, net	611	472
Inventories	59	42
Prepayments and other current assets	263	290
Assets held for sale	—	3,771
Total current assets	2,102	5,964
Investments in and advances to unconsolidated affiliates	94	158
Property and equipment, net	14,598	14,601
Gaming rights and other intangibles, net	4,714	4,920
Goodwill	11,004	11,076
Other assets, net	1,015	1,312
Total assets	\$ 33,527	\$ 38,031
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 314	\$ 254
Accrued interest	318	320
Accrued other liabilities	1,928	1,973
Current portion of long-term debt	108	70
Liabilities related to assets held for sale	—	2,680
Total current liabilities	2,668	5,297
Long-term financing obligation	12,610	12,424
Long-term debt	12,659	13,722
Deferred income taxes	987	1,111
Other long-term liabilities	852	936
Total liabilities	29,776	33,490
Commitments and contingencies (Note 11)		
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock, \$0.00001 par value, 150,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.00001 par value, 500,000,000 shares authorized, 214,671,754 and 213,779,848 issued and outstanding, net of treasury shares	—	—
Paid-in capital	6,953	6,877
Accumulated deficit	(3,309)	(2,410)
Treasury stock at cost, 363,016 and 363,016 shares held	(23)	(23)
Accumulated other comprehensive income	92	36
Caesars stockholders' equity	3,713	4,480
Noncontrolling interests	38	61
Total stockholders' equity	3,751	4,541
Total liabilities and stockholders' equity	\$ 33,527	\$ 38,031

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

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**CAESARS ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

<i>(In millions, except per share data)</i>	Years Ended December 31,		
	2022	2021	2020
<b>REVENUES:</b>			
Casino	\$ 5,997	\$ 5,827	\$ 2,482
Food and beverage	1,596	1,140	342
Hotel	1,957	1,551	450
Other	1,271	1,052	354
Net revenues	10,821	9,570	3,628
<b>EXPENSES:</b>			
Casino	3,526	3,129	1,271
Food and beverage	935	707	265
Hotel	529	438	170
Other	411	373	140
General and administrative	2,068	1,782	902
Corporate	286	309	195
Impairment charges	108	102	215
Depreciation and amortization	1,205	1,126	583
Transaction and other costs	14	144	270
Total operating expenses	9,082	8,110	4,011
Operating income (loss)	1,739	1,460	(383)
<b>OTHER EXPENSE:</b>			
Interest expense, net	(2,265)	(2,295)	(1,202)
Loss on extinguishment of debt	(85)	(236)	(197)
Other income (loss)	46	(198)	176
Total other expense	(2,304)	(2,729)	(1,223)
Loss from continuing operations before income taxes	(565)	(1,269)	(1,606)
Benefit (provision) for income taxes	41	283	(132)
Loss from continuing operations, net of income taxes	(524)	(986)	(1,738)
Discontinued operations, net of income taxes	(386)	(30)	(20)
Net loss	(910)	(1,016)	(1,758)
Net (income) loss attributable to noncontrolling interests	11	(3)	1
Net loss attributable to Caesars	\$ (899)	\$ (1,019)	\$ (1,757)
<b>Net loss per share - basic and diluted:</b>			
Basic loss per share from continuing operations	\$ (2.39)	\$ (4.69)	\$ (13.35)
Basic loss per share from discontinued operations	(1.80)	(0.14)	(0.15)
Basic loss per share	\$ (4.19)	\$ (4.83)	\$ (13.50)
Diluted loss per share from continuing operations	\$ (2.39)	\$ (4.69)	\$ (13.35)
Diluted loss per share from discontinued operations	(1.80)	(0.14)	(0.15)
Diluted loss per share	\$ (4.19)	\$ (4.83)	\$ (13.50)
Weighted average basic shares outstanding	214	211	130
Weighted average diluted shares outstanding	214	211	130

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

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

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Net loss	\$ (910)	\$ (1,016)	\$ (1,758)
Foreign currency translation adjustments	34	(45)	9
Change in fair market value of interest rate swaps, net of tax	21	47	26
Other	—	(1)	—
Other comprehensive income, net of tax	55	1	35
Comprehensive loss	(855)	(1,015)	(1,723)
Amounts attributable to noncontrolling interests:			
Net (income) loss attributable to noncontrolling interests	11	(3)	1
Foreign currency translation adjustments	1	1	(1)
Comprehensive (income) loss attributable to noncontrolling interests	12	(2)	—
Comprehensive loss attributable to Caesars	\$ (843)	\$ (1,017)	\$ (1,723)

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

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**CAESARS ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

**Caesars Stockholders' Equity**

<i>(In millions)</i>	<u>Preferred Stock</u>		<u>Common Stock</u>			Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	<u>Treasury Stock</u>	Noncontrolling interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Amount						
Balance, January 1, 2020	—	\$ —	78	\$ —	\$ 760	\$ 366	\$ —	\$ (9)	\$ —	\$ 1,117	
Stock-based compensation	—	—	1	—	72	—	—	—	—	72	
Issuance of common stock, net	—	—	67	—	3,172	—	—	—	—	3,172	
Net loss	—	—	—	—	—	(1,757)	—	—	(1)	(1,758)	
Shares issued to Former Caesars shareholders	—	—	62	—	2,381	—	—	—	—	2,381	
Former Caesars replacement awards	—	—	—	—	24	—	—	—	—	24	
Other comprehensive income, net of tax	—	—	—	—	—	—	34	—	1	35	
Shares withheld related to net share settlement of stock awards	—	—	—	—	(16)	—	—	—	—	(16)	
Acquired noncontrolling interests	—	—	—	—	(18)	—	—	—	18	—	
Other	—	—	—	—	7	—	—	—	—	7	
<b>Balance, December 31, 2020</b>	<b>—</b>	<b>—</b>	<b>208</b>	<b>—</b>	<b>6,382</b>	<b>(1,391)</b>	<b>34</b>	<b>(9)</b>	<b>18</b>	<b>5,034</b>	
Stock-based compensation	—	—	1	—	83	—	—	—	—	83	
Issuance of common stock, net	—	—	5	—	456	—	—	(14)	—	442	
Net income (loss)	—	—	—	—	—	(1,019)	—	—	3	(1,016)	
Other comprehensive income, net of tax	—	—	—	—	—	—	2	—	(1)	1	
Shares withheld related to net share settlement of stock awards	—	—	—	—	(44)	—	—	—	—	(44)	
Transactions with noncontrolling interests	—	—	—	—	—	—	—	—	41	41	
<b>Balance, December 31, 2021</b>	<b>—</b>	<b>—</b>	<b>214</b>	<b>—</b>	<b>6,877</b>	<b>(2,410)</b>	<b>36</b>	<b>(23)</b>	<b>61</b>	<b>4,541</b>	
Stock-based compensation	—	—	1	—	102	—	—	—	—	102	
Net loss	—	—	—	—	—	(899)	—	—	(11)	(910)	
Other comprehensive income, net of tax	—	—	—	—	—	—	56	—	(1)	55	
Shares withheld related to net share settlement of stock awards	—	—	—	—	(26)	—	—	—	—	(26)	
Transactions with noncontrolling interests	—	—	—	—	—	—	—	—	(11)	(11)	
<b>Balance, December 31, 2022</b>	<b>—</b>	<b>—</b>	<b>215</b>	<b>\$ —</b>	<b>\$ 6,953</b>	<b>\$ (3,309)</b>	<b>\$ 92</b>	<b>\$ (23)</b>	<b>\$ 38</b>	<b>\$ 3,751</b>	

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

**CAESARS ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	\$ (910)	\$ (1,016)	\$ (1,758)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Loss from discontinued operations	386	30	20
Depreciation and amortization	1,205	1,126	583
Amortization of deferred financing costs and discounts	297	347	156
Provision for doubtful accounts	25	26	29
Deferred revenue	(2)	(4)	(11)
Loss on extinguishment of debt	85	236	197
Non-cash lease amortization	54	39	14
(Gain) loss on investments	54	107	(34)
Stock compensation expense	101	82	79
(Gain) loss on sale of businesses and disposal of property and equipment	5	11	(7)
Impairment charges	108	102	215
(Benefit) provision for deferred income taxes	(41)	(283)	176
(Gain) loss on derivatives	(73)	127	(9)
Foreign currency transaction gain	—	(21)	(129)
Other non-cash adjustments to net loss	(57)	(8)	(2)
Change in operating assets and liabilities:			
Accounts receivable	(143)	(135)	(70)
Prepaid expenses and other assets	(15)	(67)	9
Income taxes (receivable) payable	(7)	13	(40)
Accounts payable, accrued expenses and other liabilities	(80)	486	25
Other	1	1	(4)
Net cash provided by (used in) operating activities	993	1,199	(561)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment, net	(952)	(520)	(164)
Former Caesars acquisition, net of cash acquired	—	—	(6,314)
Acquisition of William Hill, net of cash acquired	—	(1,581)	—
Purchase of additional interest in Horseshoe Baltimore, net of cash consolidated	—	(5)	—
Acquisition of gaming rights and trademarks	(11)	(312)	(35)
Proceeds from sale of businesses, property and equipment, net of cash sold	39	726	366
Proceeds from the sale of investments	126	239	25
Proceeds from insurance related to property damage	36	44	17
Investments in unconsolidated affiliates	—	(39)	(1)
Other	(6)	—	6
Net cash used in investing activities	(768)	(1,448)	(6,100)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from long-term debt and revolving credit facilities	1,500	1,308	9,765
Repayments of long-term debt and revolving credit facilities	(2,738)	(1,977)	(3,742)
Proceeds from sale-leaseback financing arrangement	—	—	3,224
Financing obligation payments	(3)	(5)	(49)
Debt issuance and extinguishment costs	(12)	(56)	(356)
Proceeds from issuance of common stock	1	3	2,718
Cash paid to settle convertible notes	—	(367)	(903)
Taxes paid related to net share settlement of equity awards	(27)	(45)	(16)
Distributions to noncontrolling interest	(3)	(2)	—
Net cash provided by (used in) financing activities	(1,282)	(1,141)	10,641

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<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS:</b>			
Cash flows from operating activities	(18)	(27)	(21)
Cash flows from investing activities	386	(1,475)	(5)
Cash flows from financing activities	—	591	—
Net cash from discontinued operations	368	(911)	(26)
Change in cash, cash equivalents, and restricted cash classified as assets held for sale	—	10	(20)
Effect of foreign currency exchange rates on cash	(29)	32	129
Increase (decrease) in cash, cash equivalents and restricted cash	(718)	(2,259)	4,063
Cash, cash equivalents and restricted cash, beginning of period	2,021	4,280	217
Cash, cash equivalents and restricted cash, end of period	\$ 1,303	\$ 2,021	\$ 4,280
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO AMOUNTS REPORTED WITHIN THE CONSOLIDATED BALANCE SHEETS:</b>			
Cash and cash equivalents	\$ 1,038	\$ 1,070	\$ 1,776
Restricted cash	131	319	2,021
Restricted and escrow cash included in other noncurrent assets	134	323	437
Cash and cash equivalents and restricted cash in discontinued operations	—	309	46
Total cash, cash equivalents and restricted cash	\$ 1,303	\$ 2,021	\$ 4,280
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Interest paid	\$ 2,010	\$ 1,923	\$ 892
Income taxes (refunded) paid, net	22	9	(7)
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>			
Payables for capital expenditures	145	100	40
Exchange for sale-leaseback financing obligation	—	—	246
Convertible notes settled with shares	—	440	454
Land contributed to joint venture	—	61	—
Shares issued to Former Caesars shareholders	—	—	2,381

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

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**CAESARS ENTERTAINMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*The accompanying consolidated 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,” “us,” or the “Registrant” within these financial statements.*

*We also refer to (i) our Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss) as our “Statements of Operations,” (iii) our Consolidated Balance Sheets as our “Balance Sheets,” and (iv) our Consolidated Statements of Cash Flows as our “Statements of Cash Flows,” which are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). References to numbered “Notes” refer to Notes to our Consolidated Financial Statements included herein.*

## **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. Beginning in 2005, the Company grew through a series of acquisitions, including the acquisition of MTR Gaming Group, Inc. in 2014, Isle of Capri Casinos, Inc. in 2017, Tropicana Entertainment, Inc. in 2018 and a merger with Caesars Entertainment Corporation (“Former Caesars”) on July 20, 2020, pursuant to which Former Caesars became a wholly-owned subsidiary of the Company (the “Merger”) and the Company changed the Company’s ticker symbol on the NASDAQ Stock Market from “ERI” to “CZR”.

On April 22, 2021, the Company completed the acquisition of William Hill PLC (the “William Hill Acquisition”). See below for further discussion of the William Hill Acquisition.

The Company owns, leases, brands or manages an aggregate of 51 domestic properties in 16 states with approximately 52,800 slot machines, video lottery terminals and e-tables, approximately 2,800 table games and approximately 47,200 hotel rooms as of December 31, 2022. The Company operates and conducts sports wagering across 28 jurisdictions in North America, 20 of which are mobile for sports betting, and operates regulated online real money gaming businesses in six jurisdictions in North America. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. The Company’s primary source of revenue is generated by our casino properties’ gaming operations, including retail and online sports betting, as well as online gaming, and the Company utilizes its hotels, restaurants, bars, entertainment, racing, retail shops and other services to attract customers to its properties.

The Company’s operations for retail and mobile sports betting, online casino, and online poker are included under the Caesars Digital segment. The Company has made significant investments into the interactive business in recent years with the completion of the Merger, the William Hill Acquisition, and strategic expansion into new markets as legalization permits. The Company utilized significant marketing campaigns with distinguished actors, athletes and media personalities promoting the launch of the Caesars Sportsbook app. The app offers numerous pre-match and live markets, extensive odds and flexible limits, player props, and same-game parlays. Caesars Sportsbook has partnerships with the NFL, NBA, NHL and MLB while being the exclusive odds provider for ESPN and CBS Sports. The Company has continued to create new partnerships among professional sports teams and, in 2021, entered into a 20-year exclusive naming-rights partnership branding the Caesars Superdome in New Orleans. The Company expects to continue to expand its operations in the Caesars Digital segment as new jurisdictions legalize retail and online gaming and sports betting.

The Company has divested certain properties and other assets, including non-core properties and divestitures required by regulatory agencies. See Note 4 for a discussion of properties recently sold and Note 19 for segment information.

### 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 the acquisition date, the Company’s intent was to divest William Hill PLC’s non-U.S. operations, including the United Kingdom and international online divisions and the retail betting shops (collectively, “William Hill International”), all of which were held for sale as of the date of the closing of the William Hill Acquisition with such operations reflected within discontinued operations. On April 22, 2021, the Company completed the acquisition of William Hill PLC for £2.9 billion, or approximately \$3.9 billion. See Note 3.

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On September 8, 2021, the Company entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. On April 7, 2022, the Company amended the agreement to sell William Hill International to 888 Holdings Plc for a revised enterprise value of approximately £2.0 billion. The amended agreement reflected a £250 million reduction in consideration payable at closing and up to £100 million in deferred consideration to be paid to the Company, subject to 888 Holdings Plc meeting certain 2023 financial targets. During the year ended December 31, 2022, the Company recorded impairments to assets held for sale of \$503 million within discontinued operations based on the revised and final sales prices.

On July 1, 2022, the Company completed the sale of William Hill International to 888 Holdings Plc and outstanding borrowings under the Bridge Credit Agreement between the Company and certain lenders party thereto and Deutsche Bank AG, London Branch, as administrative agent and collateral agent, were immediately repaid. After the repayment of the Bridge Credit Agreement, other permitted leakage, and the settlement of related forward contracts, Caesars received net proceeds of \$730 million. Including open market repurchases and repayments, the Company utilized all \$730 million to reduce the Company's outstanding debt. See Note 12.

### ***Basis of Presentation***

Our Financial Statements are prepared in accordance with accounting principles generally accepted in the United States, which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities. Management believes the accounting estimates are appropriate and reasonably determined. Actual amounts could materially differ from those estimates.

The presentation of financial information herein for the periods after the Company's acquisitions or before divestitures of various properties is not fully comparable to the periods prior to their respective purchase or after the sale dates. See Note 3 for further discussion of the acquisitions and related transactions and Note 4 for properties recently sold.

### ***Consolidation of Subsidiaries and Variable Interest Entities***

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

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

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

### ***Developments Related to COVID-19***

Despite the resurgence of the COVID-19 Omicron variant at the beginning of the year, operations at many of our properties experienced positive trends during much of the year ended December 31, 2022, including higher hotel occupancy, particularly in Las Vegas, and increased gaming and food and beverage volumes. The reduction in mandates and restrictions, combined with pent up consumer demand and supplemental discretionary spend from governmental stimulus, resulted in strong results across our properties during 2021. Future variants, mandates or restrictions imposed by various regulatory bodies are uncertain and could have a significant impact on our future operations.

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## Note 2. Summary of Significant Accounting Policies

Additional significant accounting policy disclosures are provided within the applicable Notes to the Financial Statements.

### Cash and Cash Equivalents

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

### Restricted Cash

Restricted cash includes certificates of deposit and similar instruments that are subject to remeasurement on a recurring basis (see Note 8) and cash deposits which are restricted under certain operating agreements or restricted for future capital expenditures in the normal course of business.

### Advertising

Advertising costs are expensed in the period the advertising initially takes place. Advertising costs were \$571 million, \$518 million and \$64 million for the years ended December 31, 2022, 2021 and 2020, respectively, and are included within operating expenses. During the years ended December 31, 2022 and 2021, the Company launched significant television, radio and internet marketing campaigns promoting the Caesars Sportsbook. Advertising costs related to the Caesars Digital segment are primarily recorded in Casino expense.

### Interest Expense, Net

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Interest expense	\$ 2,303	\$ 2,320	\$ 1,213
Capitalized interest	(26)	(9)	(1)
Interest income	(12)	(16)	(10)
Total interest expense, net	<u>\$ 2,265</u>	<u>\$ 2,295</u>	<u>\$ 1,202</u>

### Recently Issued Accounting Pronouncements

#### Pronouncements Implemented in 2022

Effective January 1, 2022, we adopted Accounting Standards Update 2020-04 (amended through December 2022), Reference Rate Reform. We will apply this guidance to applicable contracts and instruments if, and when, they are modified. Such application is not expected to have a material effect on our Financial Statements.

## Note 3. Acquisitions, Purchase Price Accounting and Pro forma Information

### Acquisition of William Hill

On April 22, 2021, we completed the 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.

We acquired William Hill PLC and its U.S. subsidiary, William Hill U.S. Holdco (“William Hill US” and together with William Hill PLC, “William Hill”) to better position the Company to address the extensive usage of digital platforms, continued legalization in additional states and jurisdictions, and growing bettor demand, which are driving the market for online sports betting platforms in the U.S. In addition, we continue to leverage the World Series of Poker (“WSOP”) brand, and license the WSOP trademarks for a variety of products and services across these digital platforms. At the time that the William Hill Acquisition was consummated, the Company’s intent was to divest William Hill International.

On September 8, 2021, the Company entered into an agreement to sell William Hill International to 888 Holdings Plc for approximately £2.2 billion. On April 7, 2022, the Company amended the agreement to sell William Hill International to 888 Holdings Plc for a revised enterprise value of approximately £2.0 billion. During the year ended December 31, 2022, the Company recorded impairments to assets held for sale of \$503 million within discontinued operations based on the revised and final sales prices. On July 1, 2022, the Company completed the sale of William Hill International to 888 Holdings Plc.

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

Prior to the acquisition, the Company accounted for its investment in William Hill PLC as an investment in equity securities and William Hill US as an equity method investment. Accordingly, the acquisition was 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 purchase consideration in the acquisition was determined with reference to its acquisition date fair value.

<i>(In millions)</i>	<b>Consideration</b>
Cash for outstanding William Hill common stock <sup>(a)</sup>	\$ 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)
<b>Total purchase consideration</b>	<b>\$ 3,912</b>

<sup>(a)</sup> 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.

**Final Purchase Price Allocation**

The fair values are based on management’s analysis, including work performed by third-party valuation specialists, and 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 William Hill, with the excess recorded as goodwill as of December 31, 2022:

<i>(In millions)</i>	<b>Fair Value</b>
Other current assets	\$ 164
Assets held for sale	4,337
Property and equipment, net	55
Goodwill	1,154
Intangible assets <sup>(a)</sup>	565
Other noncurrent assets	317
<b>Total assets</b>	<b>\$ 6,592</b>
Other current liabilities	\$ 242
Liabilities related to assets held for sale <sup>(b)</sup>	2,142
Deferred income taxes	251
Other noncurrent liabilities	35
<b>Total liabilities</b>	<b>2,670</b>
Noncontrolling interests	10
<b>Net assets acquired</b>	<b>\$ 3,912</b>

<sup>(a)</sup> 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.

<sup>(b)</sup> Includes the fair value of debt of \$1.1 billion related to William Hill International at the acquisition date.

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 represented William Hill International which was 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 were updated to reflect the sale price of William Hill International in the sale to 888 Holdings Plc, described above.

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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 were 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 estimated 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 were 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 estimated the useful life of these operating agreements to be approximately 20 years from the acquisition date and have included them within amortizing gaming rights.

The reacquired rights intangible asset represents the estimated fair value of the Company's share of 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 the valuation was adjusted for the settlement of the preexisting relationship in order to avoid double counting of the 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 was calculated based on market quotes.

The Company recognized acquisition-related transaction costs of \$21 million, \$68 million and \$8 million for the years ended December 31, 2022, 2021 and 2020, respectively, excluding additional transaction costs associated with sale of William Hill International. These costs were associated with legal, professional services, and certain severance and retention costs and were primarily recorded in Transaction and other costs in our Statements of Operations.

For the period of April 22, 2021 through December 31, 2021, the operations of William Hill generated net revenues of \$183 million, excluding discontinued operations (see Note 4), and a net loss of \$415 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 year ended December 31, 2021. The unaudited pro forma financial information is not necessarily indicative of the financial position or 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. In addition, the unaudited pro forma financial information does not reflect the expected realization of any synergies or cost savings associated with the acquisition.

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

<i>(In millions)</i>	Years Ended December 31,	
	2021	2020
Net revenues	\$ 9,696	\$ 3,834
Net loss	(893)	(1,991)
Net loss attributable to Caesars	(896)	(1,989)

***Consolidation of Horseshoe Baltimore***

On August 26, 2021 (the “Consolidation Date”), 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. Our previously held investment was remeasured as of the date of the change in ownership and the Company recognized a gain of \$40 million during the year ended December 31, 2021. Subsequent to the change in ownership, the Company was determined to have a controlling financial interest and began 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.

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

***Final Purchase Price Allocation***

The fair values are based on management’s analysis, including work performed by a third-party valuation specialist, and were finalized over the one-year measurement period. The following table summarizes the allocation of the purchase consideration to the identifiable assets and liabilities of Horseshoe Baltimore, with excess recorded as goodwill as of December 31, 2022:

<i>(In millions)</i>	Fair Value
Current assets	\$ 60
Property and equipment, net	317
Goodwill	63
Intangible assets <sup>(a)</sup>	53
Other noncurrent assets	183
Total assets	<u>\$ 676</u>
Current liabilities	\$ 26
Long-term debt	272
Other long-term liabilities	182
Total liabilities	<u>480</u>
Noncontrolling interests	42
Net assets acquired	<u>\$ 154</u>

<sup>(a)</sup> Intangible assets consist of gaming rights valued at \$43 million and customer relationships valued at \$10 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 of Horseshoe Baltimore on the Consolidation Date 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 on the Consolidation 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 on the Consolidation Date.

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The fair value of the buildings and improvements were estimated via the income approach. The remaining estimated useful life of the buildings and improvements on the Consolidation Date is 40 years.

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 fair value and will be amortized over the estimated remaining useful life due to changes in the underlying fair value and estimated remaining useful life of the building and improvements. Renewal options are considered to be reasonably certain. The income approach was used to determine fair value, based on the estimated present value of the future lease payments over the lease term, including renewal options, using an incremental borrowing rate of approximately 7.6%.

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 Consolidation Date.

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 goodwill acquired will generate amortization deductions for income tax purposes.

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

For the period of August 26, 2021 through December 31, 2021, the operations of Horseshoe Baltimore generated net revenues of \$72 million, and a net income of \$4 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 include 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 the 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.

<i>(In millions)</i>	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Net revenues	\$ 9,693	\$ 3,764
Net loss	(1,049)	(1,784)
Net loss attributable to Caesars	(1,056)	(1,778)

***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.

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

<i>(In millions)</i>	<b>Consideration</b>
Cash consideration paid	\$ 6,090
Shares issued to Former Caesars shareholders <sup>(a)</sup>	2,381
Cash paid to retire Former Caesars debt	2,356
Other consideration paid	48
<b>Total purchase consideration</b>	<b>\$ 10,875</b>

<sup>(a)</sup> 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 third party valuation specialists, 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 December 31, 2021:

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

<sup>(a)</sup> Intangible assets consist of gaming rights valued at \$396 million, trade names valued at \$2.1 billion, the 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:

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

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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 estimated 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 estimated 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 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 was 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 \$30 million and \$160 million for the years ended December 31, 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 and other costs in our Statements of Operations.

For the period of July 20, 2020 through December 31, 2020, the properties of Former Caesars generated net revenues of \$2.1 billion, excluding discontinued operations, and a net loss of \$1.2 billion.

#### 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, 2019. 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 year ended December 31, 2020 as if incurred on January 1, 2019. The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations of the combined company were, nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition.

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

<i>(In millions)</i>	<b>Year Ended December 31, 2020</b>
Net revenues	\$ 5,926
Net loss	(2,738)
Net loss attributable to Caesars	(2,670)

**Note 4. Assets and Liabilities Held for Sale**

The Company periodically divests assets to raise capital or, in previous 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 - Sold**

*Baton Rouge, Evansville, MontBleu, Shreveport, Kansas City and Vicksburg Divestitures*

On December 1, 2020, the Company entered into a definitive agreement to sell the operations of Belle of Baton Rouge Casino & Hotel (“Baton Rouge”) to CQ Holding Company, Inc. As a result, an impairment charge totaling \$50 million was recorded during the year ended December 31, 2020 due to the carrying value exceeding the estimated net sales proceeds. On May 5, 2022, the Company consummated the sale of the equity interests of Baton Rouge to CQ Holding Company, Inc., resulting in a loss of \$3 million.

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. (“GLPI”) and Bally’s Corporation, respectively, for \$480 million, resulting in a gain of \$12 million.

On April 24, 2020, the Company entered into a definitive agreement to sell the equity interests of MontBleu Casino Resort & Spa (“MontBleu”) to Bally’s Corporation. As a result, an impairment charge totaling \$45 million was recorded during the year ended December 31, 2020 due to the carrying value exceeding the estimated net sales proceeds. On April 6, 2021, the Company consummated the sale of the equity interests of MontBleu to Bally’s Corporation for \$15 million, resulting in a gain of less than \$1 million. The Company received the payment in full on April 5, 2022.

On December 23, 2020, the Company consummated the sale of Eldorado Shreveport (“Shreveport”) to Bally’s Corporation for \$140 million resulting in a gain of \$29 million. On July 1, 2020, the Company consummated the sale of the equity interests of the entities that hold Lady Luck Casino Vicksburg (“Vicksburg”) and Isle of Capri Kansas City (“Kansas City”) to Bally’s Corporation (formerly Twin River Worldwide Holdings, Inc.) for \$230 million resulting in a gain of \$8 million.

Prior to their respective closing dates, Baton Rouge, Evansville, MontBleu, Shreveport, Kansas City and Vicksburg, met the requirements for presentation as assets held for sale. 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:

<i>(In millions)</i>	<b>Year Ended December 31, 2022</b>
	<b>Baton Rouge</b>
Net revenues	\$ 6
Net loss	(1)

<i>(In millions)</i>	<b>Year Ended December 31, 2021</b>		
	<b>Baton Rouge</b>	<b>Evansville</b>	<b>MontBleu</b>
Net revenues	\$ 17	\$ 58	\$ 11
Net income (loss)	(2)	26	4

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

<i>(In millions)</i>	Year Ended December 31, 2020					
	Baton Rouge	Evansville	MontBleu	Shreveport	Kansas City	Vicksburg
Net revenues	\$ 15	\$ 98	\$ 31	\$ 68	\$ 18	\$ 7
Net income (loss)	(70)	(5)	(42)	12	3	(1)

The assets and liabilities held for sale were as follows as of December 31, 2021:

<i>(In millions)</i>	Baton Rouge
<b>Assets:</b>	
Cash	\$ 3
Property and equipment, net	2
Other assets, net	1
Assets held for sale	<u>\$ 6</u>
<b>Liabilities:</b>	
Current liabilities	\$ 3
Other long-term liabilities	1
Liabilities related to assets held for sale	<u>\$ 4</u>

***Held for sale - Discontinued operations***

On the closing date of the Merger, Harrah's Louisiana Downs, Caesars Southern Indiana and Caesars UK Group, which included Emerald Resort & Casino, met held for sale criteria. The operations of these properties, until their respective date of divestiture, have been presented within discontinued operations. In addition, 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 these reporting units were classified as held for sale with operations 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. On November 1, 2021, the sale of Harrah's Louisiana Downs was completed and proceeds were split between the Company and VICI. The annual base rent payments under the Regional Master Lease between Caesars and VICI remained unchanged.

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, resulting in a gain of \$12 million. In connection with this transaction, the Company's annual base rent payments to VICI under the Regional Master Lease were reduced by \$33 million. Additionally, the Company and EBCI entered into a 10-year brand license agreement, for the continued use of the Caesars brand and Caesars Rewards loyalty program at Caesars Southern Indiana. The agreement contains cancellation rights in exchange for a termination fee at the buyer's discretion following the fifth anniversary of the agreement.

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 within discontinued operations.

The following information presents the net revenues and net income (loss) for the Company's properties that are part of discontinued operations for the year ended December 31, 2022 and 2021:

<i>(In millions)</i>	Year Ended December 31, 2022
	William Hill International
Net revenues	\$ 820
Net loss	(448)

<i>(In millions)</i>	Year Ended December 31, 2021			
	Harrah's Louisiana Downs	Caesars UK Group	Caesars Southern Indiana	William Hill International
Net revenues	\$ 48	\$ 30	\$ 155	\$ 1,221
Net income (loss)	10	(30)	27	(18)

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As of December 31, 2021, assets and liabilities held for sale of \$3.8 billion and \$2.7 billion, respectively, related to William Hill International and included \$617 million of debt related to a Bridge Credit Agreement, which was repaid upon the sale of William Hill International on July 1, 2022. In addition, \$850 million of debt was held for sale related to two trust deeds assumed in the William Hill Acquisition. One trust deed related to £350 million aggregate principal amount of 4.750% Senior Notes due 2026, and the other trust deed related to £350 million aggregate principal amount of 4.875% Senior Notes due 2023. The Bridge Credit Agreement was repaid and the two trust deeds were divested with the completion of the sale of William Hill International on July 1, 2022 and the Company is no longer subject to the related covenants or guarantees.

## Note 5. Investments in and Advances to Unconsolidated Affiliates

### *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 its ownership interest from 24.5% to approximately 8.4%. Additionally, on March 14, 2022 the Company sold its remaining 2 million shares at fair value for \$26 million. During the years ended December 31, 2022 and 2021, the Company recorded losses related to the investment in NeoGames of \$34 million and \$54 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, for a total of \$4 million in cash contributions since inception of the joint venture. 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.

While the Company holds a 50% variable interest in the joint venture, it is not the primary beneficiary; as such the investment in the joint venture is accounted for using the equity method. The Company participates evenly with Cordish in the profits and losses of the joint venture, which are included in Transaction and other costs on the Statements of Operations.

As of December 31, 2022 and 2021, the Company’s investment in the joint venture is recorded in Investment in and advances to unconsolidated affiliates on the Balance Sheets.

## Note 6. Property and Equipment

Property and equipment are stated at cost, except for assets acquired in our business combinations which were adjusted for fair value under Accounting Standards Codification (“ASC”) 805. Internal use software costs are capitalized during the application development stage. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset as noted in the table below, or the term of the lease, whichever is less. Gains or losses on the disposal of property and equipment are included in operating income. Useful lives of each asset class are generally as follows:

Buildings and improvements	3 to 40 years
Land improvements	12 to 40 years
Furniture, fixtures and equipment	3 to 15 years
Riverboats	30 years

A portion of our property and equipment is subject to various operating leases for which we are the lessor. Leased property includes our hotel rooms, convention space and retail space through various short-term and long-term operating leases. See Note 10 for further discussion of our leases.

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

The Company evaluates its property and equipment and other long-lived assets for impairment whenever indicators of impairment exist. The Company compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment charge may be recorded for any difference between fair value and the carrying value. All recognized impairment losses are recorded as operating expenses, unless the assets represent a discontinued operation. For the year ended December 31, 2020, we recorded a tangible asset impairment of \$4 million related to the sale of a corporate airplane. See Note 4 for further discussion of impairment on assets held for sale.

Property and Equipment, Net

<i>(In millions)</i>	December 31,	
	2022	2021
Land	\$ 2,092	\$ 2,125
Buildings, riverboats, and leasehold and land improvements	13,094	12,433
Furniture, fixtures, and equipment	2,054	1,650
Construction in progress	351	395
Total property and equipment	17,591	16,603
Less: accumulated depreciation	(2,993)	(2,002)
Total property and equipment, net	\$ 14,598	\$ 14,601

Depreciation Expense

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Depreciation expense	\$ 1,018	\$ 987	\$ 527

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

**Note 7. 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.

Goodwill and indefinite-lived intangible assets must be reviewed for impairment at least annually and between annual test dates in certain circumstances. The Company performs its annual impairment tests as of October 1 of each fiscal year. The Company performs this assessment more frequently if impairment indicators exist. We utilized an income approach using a discounted cash flow method to determine the fair value of our goodwill. The Company performed the annual goodwill impairment test by comparing the fair value of each reporting unit with its carrying amount. The Company determines the estimated fair value of each reporting unit based on a combination of earnings before interest, taxes, depreciation and amortization (“EBITDA”), valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general, and expected sales proceeds. The Company also evaluates the aggregate fair value of all of its reporting units and other non-operating assets in comparison to its aggregate debt and equity market capitalization at the test date. EBITDA multiples and discounted cash flows are common measures used to value businesses in the industry.

Indefinite-lived intangible assets consist primarily of trademarks, Caesars Rewards and expenditures associated with obtaining racing and gaming licenses. Indefinite-lived intangible assets are not subject to amortization but are subject to an annual impairment test. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess amount.

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.

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

Gaming rights represent intangible assets acquired from the purchase of a gaming entity located in a gaming jurisdiction where competition is limited, such as when only a limited number of gaming operators are allowed to operate in the jurisdiction. These gaming license rights are not subject to amortization as the Company has determined that they have indefinite useful lives. For gaming jurisdictions with high barriers of renewal of the gaming rights, such as material costs of renewal, the gaming rights are deemed to have a finite useful life and are amortized over the expected useful life. We used the Excess Earnings Method and a Cost Approach for estimating fair value for these gaming rights.

Finite-lived intangible assets consist of trade names and customer relationships acquired in business combinations. Amortization is recorded using the straight-line method over the estimated useful life of the asset. The Company evaluates for impairment whenever indicators of impairment exist. When indicators are noted, the Company then compares estimated future cash flows, undiscounted, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is recorded. Impairment charges are presented on the statements of operations.

As a result of the finalized and approved capital and operating plans and the completion of the annual impairment testing, the Company recognized impairment charges in our Regional segment primarily due to an increase in the related discount rates, which represents the higher required cost of capital as a result of the macroeconomic environment and projected outlook. The Company identified one property, where the estimated fair value of the associated gaming rights was less than the carrying value and recorded an impairment of \$30 million. In addition, the Company identified two reporting units with which the estimated fair value of the respective reporting unit was below the carrying value and we recorded a total impairment of \$78 million to goodwill.

In December 2021, the Company approved a capital plan which included the planned rebranding of certain of our properties. The Company utilized an income approach to determine the fair value of the trademarks subject to rebranding based on their expected future cash flows, which resulted in an impairment charge of \$102 million during the year ended December 31, 2021. The adjusted carrying values of these trademarks were amortized over their respective useful lives.

During the year ended December 31, 2020, the Company recognized impairment charges in our Regional segment related to goodwill and trade names totaling \$100 million and \$16 million, respectively, due to declines in recent performance and the expected impact on future cash flows as a result of COVID-19.

When assets are deemed to be held for sale, any associated intangible assets, including goodwill, are reclassified to Assets held for sale on our Balance Sheets (see Note 4).

Changes in Carrying Value of Goodwill by Segment

<i>(In millions)</i>	Las Vegas	Regional	Caesars Digital	Managed and Branded	CEI Total
<b>Gross Goodwill:</b>					
Balance as of January 1, 2021	\$ 6,873	\$ 3,045	\$ 50	\$ —	\$ 9,968
Acquired <sup>(a)</sup>	—	63	1,148	—	1,211
Other	16	(15)	—	—	1
Balance as of December 31, 2021	6,889	3,093	1,198	—	11,180
<b>Accumulated Impairment:</b>					
Balance as of January 1, 2021	—	(104)	—	—	(104)
Balance as of December 31, 2021	—	(104)	—	—	(104)
Net carrying value, as of December 31, 2021	\$ 6,889	\$ 2,989	\$ 1,198	\$ —	\$ 11,076
<b>Gross Goodwill:</b>					
Balance as of January 1, 2022	\$ 6,889	\$ 3,093	\$ 1,198	\$ —	\$ 11,180
Other <sup>(a)</sup>	—	—	6	—	6
Balance as of December 31, 2022	6,889	3,093	1,204	—	11,186
<b>Accumulated Impairment:</b>					
Balance as of January 1, 2022	—	(104)	—	—	(104)
Impairment	—	(78)	—	—	(78)
Balance as of December 31, 2022	—	(182)	—	—	(182)
Net carrying value, as of December 31, 2022 <sup>(b)</sup>	\$ 6,889	\$ 2,911	\$ 1,204	\$ —	\$ 11,004

<sup>(a)</sup> See Note 3 for further detail. Purchase price allocation finalized in 2022.

<sup>(b)</sup> \$468 million of goodwill within our Regional segment is associated with reporting units with zero or negative carrying value.

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

Changes in Carrying Value of Intangible Assets Other than Goodwill

<i>(In millions)</i>	Amortizing		Non-Amortizing		Total	
	2022	2021	2022	2021	2022	2021
Balance as of January 1	\$ 1,209	\$ 501	\$ 3,711	\$ 3,782	\$ 4,920	\$ 4,283
Impairment	—	—	(30)	(102)	(30)	(102)
Amortization expense	(187)	(139)	—	—	(187)	(139)
Acquired <sup>(a)</sup>	—	575	—	43	—	618
Acquisition of gaming rights and trademarks	10	253	1	50	11	303
Other	28	19	(28)	(62)	—	(43)
Balance as of December 31	<u>\$ 1,060</u>	<u>\$ 1,209</u>	<u>\$ 3,654</u>	<u>\$ 3,711</u>	<u>\$ 4,714</u>	<u>\$ 4,920</u>

<sup>(a)</sup> See Note 3 for further detail.

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

<i>(Dollars in millions)</i>	Useful Life	December 31, 2022			December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Amortizing intangible assets</b>							
Customer relationships	3 - 7 years	\$ 587	\$ (276)	\$ 311	\$ 587	\$ (187)	\$ 400
Gaming rights and other	10 - 34 years	212	(16)	196	174	(7)	167
Trademarks	15 years	313	(73)	240	322	(21)	301
Reacquired rights	24 years	250	(17)	233	250	(7)	243
Technology	6 years	110	(30)	80	110	(12)	98
		<u>\$ 1,472</u>	<u>\$ (412)</u>	<u>1,060</u>	<u>\$ 1,443</u>	<u>\$ (234)</u>	<u>1,209</u>
<b>Non-amortizing intangible assets</b>							
Trademarks				1,998			1,998
Gaming rights				1,133			1,190
Caesars Rewards				523			523
				<u>3,654</u>			<u>3,711</u>
Total amortizing and non-amortizing intangible assets, net				<u>\$ 4,714</u>			<u>\$ 4,920</u>

Amortization expense with respect to intangible assets for the years ended December 31, 2022, 2021 and 2020 totaled \$187 million, \$139 million and \$56 million, respectively, which is included in depreciation and amortization in the Statements of Operations.

Estimated Five-Year Amortization

<i>(In millions)</i>	Years Ended December 31,				
	2023	2024	2025	2026	2027
Estimated annual amortization expense	\$ 141	\$ 126	\$ 119	\$ 119	\$ 76

**Note 8. Fair Value Measurements**

Items Measured at Fair Value on a Recurring Basis

The following table sets forth the assets and liabilities, where applicable, measured at fair value on a recurring basis, by input level, in the Balance Sheets at December 31, 2022 and 2021:

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

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

<i>(In millions)</i>	December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Restricted cash	\$ 1	\$ 1	\$ —	\$ 2
Marketable securities	69	9	—	78
Derivative instruments - FX forward	—	1	—	1
Total assets at fair value	<u>\$ 70</u>	<u>\$ 11</u>	<u>\$ —</u>	<u>\$ 81</u>
<b>Liabilities:</b>				
Derivative instruments - interest rate swaps	\$ —	\$ 28	\$ —	\$ 28
Derivative instruments - FX forwards	—	16	—	16
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ —</u>	<u>\$ 44</u>

*Change in restricted investments using Level 3 inputs*

<i>(In millions)</i>	Level 3 Investment
Fair value of investment at December 31, 2020	\$ 44
Change in fair value	7
Acquisition of William Hill	(51)
Fair value of investment at December 31, 2021	<u>\$ —</u>

**Restricted Cash**

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

**Marketable Securities**

Marketable securities consist primarily of trading securities held by the Company's captive insurance subsidiary, deferred compensation plans and investments acquired in the William Hill Acquisition. 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.

The Company held common shares of Flutter Entertainment PLC, which is a publicly traded company with a readily determinable share price. During the year ended December 31, 2020, the Company sold a portion of these shares for \$24 million and recorded a gain of \$14 million. On July 7, 2021, the Company sold the remaining shares for \$9 million and recorded a loss of \$1 million on the sale date. 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.

**Forward contracts**

The Company entered into several foreign exchange forward contracts with third parties to hedge the risk of fluctuations in the foreign exchange rates between USD and GBP. During the years ended December 31, 2022 and 2021, the Company recorded a gain of \$73 million and \$23 million, respectively, related to forward contracts, which was recorded in the Other income (loss) on the Statements of Operations. All forward contracts have been settled as of July 1, 2022.

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Interest Rate Swap Derivatives

We assumed Former Caesars' interest rate swaps to manage the mix of assumed debt between fixed and variable rate instruments. During the year ended December 31, 2022, we had four interest rate swap agreements to fix the interest rate on \$1.3 billion of variable rate debt related to the CRC Credit Agreement. The interest rate swaps were designated as cash flow hedging instruments. The difference to be paid or received under the terms of the interest rate swap agreements was accrued as interest rates changed and recognized as an adjustment to interest expense at settlement. The term of the interest rate swaps ended on December 31, 2022.

Valuation Methodology

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

Financial Statement Effect

The effect of interest rate swaps designated as hedging instruments on the Balance Sheets for amounts transferred into Accumulated other comprehensive income (loss) ("AOCI") before tax was a gain of \$28 million and \$62 million, during the years ended December 31, 2022 and 2021, respectively. AOCI reclassified to Interest expense on the Statements of Operations was \$12 million and \$59 million, for years ended December 31, 2022 and 2021, respectively. As of December 31, 2021, the interest rate swaps derivative liability was \$28 million. Net settlement of these interest rate swaps resulted in the reclassification of deferred gains and losses within AOCI to be reclassified to the income statement as a component of interest expense as settlement occurred.

Accumulated Other Comprehensive Income

The changes in AOCI by component, net of tax, for the periods through December 31, 2022 and 2021 are shown below.

<i>(In millions)</i>	Unrealized Net Gains on Derivative Instruments	Foreign Currency Translation Adjustments	Other	Total
Balances as of December 31, 2020	\$ 26	\$ 8	\$ —	\$ 34
Other comprehensive loss before reclassifications	(12)	(44)	(1)	(57)
Amounts reclassified from accumulated other comprehensive income	59	—	—	59
Total other comprehensive income (loss), net of tax	47	(44)	(1)	2
Balances as of December 31, 2021	\$ 73	\$ (36)	\$ (1)	\$ 36
Other comprehensive income before reclassifications	9	35	—	44
Amounts reclassified from accumulated other comprehensive income	12	—	—	12
Total other comprehensive income, net of tax	21	35	—	56
Balances as of December 31, 2022	\$ 94	\$ (1)	\$ (1)	\$ 92

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## Note 9. Accrued Other Liabilities

Accrued other liabilities consisted of the following:

<i>(In millions)</i>	December 31,	
	2022	2021
Contract and contract related liabilities (See Note 13)	\$ 747	\$ 614
Accrued payroll and other related liabilities	283	377
Self-insurance claims and reserves (See Note 11)	203	221
Accrued taxes	195	183
Operating lease liability	50	49
Disputed claims liability	26	50
Accrued marketing	20	159
Exit cost accrual	13	12
Other accruals	391	308
Total accrued other liabilities	<u>\$ 1,928</u>	<u>\$ 1,973</u>

### **Disputed Claims Liability and Exit Cost Accrual**

The disputed claims liability and exit cost accrual were assumed liabilities of Former Caesars. The disputed claims liability represents certain remaining unsecured claims related to Former Caesars bankruptcy for which we have estimated the fair value of the remaining liability. Exit costs are related to the unbundling of electric service provided by NV Energy which we assumed from the Merger.

## Note 10. Leases

The Company has operating and finance leases for various real estate and equipment. Certain of the Company's lease agreements include rental payments based on a percentage of sales over specified contractual amounts, rental payments adjusted periodically for inflation and rental payments based on usage. The Company's leases include options to extend the lease term one month to 75 years. The Company's lease agreements do not contain any material restrictive covenants, other than those described below.

### **Lessee Arrangements**

#### Operating Leases

We lease real estate and equipment used in our operations from third parties. As of December 31, 2022, the remaining term of our operating leases ranged from 1 to 69 years with various extension options available, if we elect to exercise them. However, our remaining terms only include extension options that we have determined are reasonably certain as of December 31, 2022. In addition to minimum rental commitments, certain of our operating leases provide for contingent rentals based on a percentage of revenues in excess of specified amounts. We do not include costs associated with our non-lease components in our lease costs disclosed in the table below. During the years ended December 31, 2022 and 2021, we obtained \$43 million and \$13 million, respectively, of right-of-use ("ROU") assets in exchange for new lease liabilities. During the year ended December 31, 2022, we disposed of \$12 million of ROU assets and lease liabilities.

Leases recorded on the balance sheet consist of the following:

<i>(In millions)</i>	Classification on the Balance Sheet	December 31,	
		2022	2021
<b>Assets:</b>			
Operating lease ROU assets <sup>(a)</sup>	Other assets, net	\$ 639	\$ 662
<b>Liabilities:</b>			
Current operating lease liabilities <sup>(a)</sup>	Accrued other liabilities	50	49
Non-current operating lease liabilities <sup>(a)</sup>	Other long-term liabilities	710	726

<sup>(a)</sup> As noted above, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or liabilities for operating leases with terms of 12 months or less.

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

Lease Terms and Discount Rate

	December 31,	
	2022	2021
Weighted Average Remaining Lease Term (in years)	32.2	28.8
Weighted Average Discount Rate	8.3 %	8.1 %

Components of Lease Expense

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Operating lease expense	\$ 132	\$ 128	\$ 53
Short-term and variable lease expense	138	104	50
Total operating lease costs	<u>\$ 270</u>	<u>\$ 232</u>	<u>\$ 103</u>

Supplemental cash flow information related to leases is as follows:

Cash payments included in the measurement of lease liabilities

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Operating cash flows for operating leases	\$ 110	\$ 96	49

Maturities of Lease Liabilities

<i>(In millions)</i>	Operating Leases
2023	\$ 109
2024	75
2025	73
2026	71
2027	72
Thereafter	1,975
Total future minimum lease payments	<u>2,375</u>
Less: present value factor	(1,615)
Total lease liability	<u>\$ 760</u>

Finance Leases

We have finance leases for certain equipment and real estate. As of December 31, 2022, our finance leases had remaining lease terms of up to approximately 36 years, some of which include options to extend the lease terms in one month increments. Our finance lease ROU assets and liabilities were \$73 million and \$78 million as of December 31, 2022, respectively, and \$40 million and \$43 million as of December 31, 2021, respectively.

Financing Obligations

VICI Leases & Golf Course Use Agreement

The fair value of the real estate assets and the related failed sale-leaseback financing obligations were estimated based on the present value of the estimated future lease payments over the lease term of 15 years, plus renewal options, using an imputed discount rate of approximately 11.01%.

CEI leases certain real property assets from VICI under the following agreements: (i) for a portfolio of properties located throughout the United States (the "Regional Lease"), (ii) for Caesars Palace Las Vegas and Harrah's Las Vegas (the "Las Vegas Lease"), and (iii) for Harrah's Joliet Hotel & Casino (the "Joliet Lease"), (collectively, "VICI Leases"). The lease agreements, inclusive of all amendments, include (i) a 15-year initial term with four five-year renewal options, (ii) annual fixed rent payments of \$1.1 billion, subject to annual escalation provisions based on the Consumer Price Index ("CPI") and a 2% floor which commenced in lease year two of the initial terms and (iii) a variable element based on net revenues of the underlying leased properties, commencing in lease year eight of the initial term.

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

The Regional Lease includes a put-call option whereby the Company may require VICI to purchase and lease back (as lessor) or whereby VICI may require the Company to sell to VICI and lease back (as lessee) the real estate components of the gaming and racetrack facilities of Harrah's Hoosier Park Racing & Casino and Indiana Grand ("Centaur properties"). Election to exercise the option by either party must be made during the election period beginning January 1, 2022 and ending December 31, 2024. Upon either party exercising their option, the Centaur properties would be sold at a price in accordance with the agreement and leased back to CEI in accordance to the pre-existing terms of the Regional Lease.

The Golf Course Use Agreement between the Company and VICI, encompassing four golf courses in three states, has a 35-year term (inclusive of all renewal periods), whereby the Company agrees to pay (i) an annual membership fee of \$11 million, subject to annual escalation provisions based on the CPI and a 2% floor (ii) annual use fees of \$3 million, including escalation provisions based on the CPI and a 2% floor commencing on the second lease year through and including the final lease year and (iii) certain per-round fees, as set forth in the agreement. Furthermore, the term of the Golf Course Use Agreement was extended such that there will be 15 years remaining until the expiration of the initial term.

*GLPI Leases*

The fair value of the real estate assets and the related failed sale-leaseback financing obligations were estimated based on the present value of the estimated future lease payments over the lease term of 35 years, including renewal options, using an imputed discount rate of approximately 9.75%. The value of the failed sale-leaseback financing obligations is dependent upon assumptions regarding the amount of the lease payments and the estimated discount rate of the lease payments required by a market participant.

CEI leases certain real property assets from GLPI under the Master Lease (as amended, the "GLPI Master Lease"). The GLPI Master Lease, encompassing a portfolio of properties within the United States, provides for the lease of land, buildings, structures and other improvements on the land, easements and similar appurtenances to the land and improvements relating to the operation of the leased properties. The GLPI Master Lease, inclusive of all amendments, provides for (i) an initial term of 20 years (through September 2038), with four five-year renewals at the Company's option, (ii) annual land and building base rent of \$24 million and \$63 million, respectively, (iii) escalating provisions of building base rent equal to 101.25% of the rent for the preceding year for lease years five and six, 101.75% for lease years seven and eight and 102% for each lease year thereafter and (iv) relief from the operating, capital expenditure and financial covenants in the event of involuntary closures. The GLPI Master Lease does not provide the Company with an option to purchase the leased property or the ability to terminate its obligations under the GLPI Master Lease prior to its expiration without GLPI's consent.

The Lumière Lease was entered into by the Company and GLPI, whereby the Company sold the real estate underlying Horseshoe St. Louis, formerly known as Lumière, to GLPI and leased back the property under a long-term financing obligation. The Lumière Lease, inclusive of all amendments, provides for (i) an initial term commencing on September 29, 2020 and ending on October 31, 2033, (ii) four five-year renewal options, (iii) annual rent payments of \$23 million, (iv) escalation provisions commencing in lease year two equal to 101.25% of the rent for the preceding year for lease years two through five, 101.75% for lease years six and seven and 102% for each lease year thereafter, (v) maintaining a minimum of 1.20:1 adjusted revenue to rent ratio and (vi) certain relief under the financial covenant in the event of involuntary closures.

The Company continues to reflect the real estate assets related to the failed sale-lease back transactions on the Balance Sheets in Property and equipment, net as if the Company was the legal owner, and continues to recognize depreciation expense over their estimated useful lives.

The future minimum payments related to the GLPI Leases, including the Lumière Lease, and VICI Leases financing obligation, as amended, at December 31, 2022 were as follows:

<i>(In millions)</i>	<b>GLPI Leases</b>	<b>VICI Leases</b>
2023	\$ 111	\$ 1,166
2024	112	1,188
2025	113	1,204
2026	115	1,221
2027	117	1,242
Thereafter	4,487	44,616
Total future payments	5,055	50,637
Less: Amounts representing interest	(4,050)	(40,236)
Plus: Residual values	240	893
Financing obligation	<u>\$ 1,245</u>	<u>\$ 11,294</u>

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

Cash payments made relating to our long-term financing obligations during the years ended December 31, 2022, 2021 and 2020 were as follows:

<i>(In millions)</i>	GLPI Leases <sup>(a)</sup>			VICI Leases <sup>(a)</sup>		
	December 31,			December 31,		
	2022	2021	2020	2022	2021	2020
Cash paid for principal	\$ —	\$ —	\$ —	\$ 1	\$ 1	\$ 49
Cash paid for interest	110	109	93	1,095	983	472

<sup>(a)</sup> For the initial periods of the VICI and GLPI Leases, cash payments are less than the interest expense recognized, which causes the failed-sale leaseback obligation to increase during the initial years of the lease term.

**Lease Covenants**

The GLPI Leases and VICI Leases contain certain covenants requiring minimum capital expenditures based on a percentage of net revenues along with maintaining certain financial ratios. The Company was in compliance with all applicable covenants as of December 31, 2022.

**Lessor Arrangements**

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 years ended December 31, 2022, 2021 and 2020, we recognized \$2.0 billion, \$1.6 billion and \$450 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. Revenue from conventions is included in Other revenue in the Statement of Operations, and during the years ended December 31, 2022, 2021 and 2020, we recognized \$34 million, \$7 million and \$3 million, respectively, in lease revenue related to conventions.

Real Estate Operating Leases

We enter into long-term real estate leasing arrangements with third-party lessees at our properties. As of December 31, 2022, the remaining terms of these operating leases ranged from 1 to 83 years, some of which include options to extend the lease term for up to five years. In addition to minimum rental commitments, certain of our operating leases provide for contingent payments including contingent rentals based on a percentage of revenues in excess of specified amounts and reimbursements for common area maintenance and utilities charges. 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. In addition, to maintain the value of our leased assets, certain leases include specific maintenance requirements of the lessees or maintenance is performed by the Company on behalf of the lessees. During the years ended December 31, 2022, 2021 and 2020, we recognized \$168 million, \$149 million and \$41 million, respectively, of real estate lease revenue, which is included in Other revenue in the Statement of Operations. Real estate lease revenue includes \$64 million, \$45 million and \$13 million, respectively, of variable rental income for the years ended December 31, 2022, 2021 and 2020.

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Maturities of Lease Receivables

<u>(In millions)</u>	<u>Operating Leases</u>
2023	\$ 73
2024	66
2025	60
2026	58
2027	52
Thereafter	703
Total	<u>\$ 1,012</u>

**Note 11. 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 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**

Capital Commitments

Harrah's New Orleans

In April 2020, the Company and the State of Louisiana, by and through the Louisiana Gaming Control Board, entered into an Amended and Restated Casino Operating Contract. Additionally, the Company, New Orleans Building Corporation and the City entered into a Second Amended and Restated Lease Agreement. Based on these amendments related to Harrah's New Orleans, the Company is required to make a capital investment of \$325 million on or around Harrah's New Orleans by July 15, 2024. The capital investment will include a renovation and full interior and exterior redesign, updated casino floor, new culinary experiences and a new 340 room hotel tower as part of the project to rebrand the property to Caesars New Orleans. As of December 31, 2022, total capital expenditures on the project have been \$112 million.

Atlantic City

As required by the New Jersey Gaming Control Board in connection with its approval of the Merger, we 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 December 31, 2022 and 2021, our restricted cash balance in the escrow account was \$118 million and \$297 million, respectively, for future capital expenditures in New Jersey.

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Sports Sponsorship/Partnership Obligations

We have agreements with certain professional sports leagues and teams, sporting event facilities and media companies 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. In connection with the launch of the Caesars Sportsbook app, we entered into a significant marketing campaign with distinguished actors, former athletes and other media personalities. As of December 31, 2022 and 2021, obligations related to these agreements were \$898 million and \$997 million, respectively, which include obligations assumed in the William Hill Acquisition, with contracts extending through 2040. 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 received in accordance with the various agreements. In addition, assets or liabilities may be recorded related to the timing of payments as required by the respective agreement.

Self-Insurance

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 was \$203 million and \$221 million as of December 31, 2022 and 2021, respectively, which is included in Accrued other liabilities on our Balance Sheets.

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

**Contingencies**

Weather Disruption - Lake Charles

On August 27, 2020, Hurricane Laura made landfall on Lake Charles as a Category 4 storm severely damaging the Isle of Capri Casino Lake Charles ("Lake Charles"). During the year ended December 31, 2022, the Company reached a final settlement agreement with the insurance carriers for a total amount of \$128 million, before our insurance deductible of \$25 million. The Company has received a total of \$103 million related to damaged fixed assets, remediation costs and business interruption.

The Company recorded gains of \$38 million and \$21 million during the years ended December 31, 2022 and 2021, respectively, which are included in Transaction and other costs, net in our Statements of Operations, as proceeds received for the cost to replace damaged property were in excess of respective carrying value of the assets. The construction of our new land-based casino, Horseshoe Lake Charles, was completed and reopened in December 2022.

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## Note 12. Long-Term Debt

<i>(Dollars in millions)</i>	December 31, 2022				December 31, 2021	
	Final Maturity	Rates	Face Value	Book Value	Book Value	
<b>Secured Debt</b>						
Baltimore Revolving Credit Facility	2023	variable	\$ —	\$ —	\$ —	
Baltimore Term Loan	2024	variable	267	262	275	
CRC Term Loan <sup>(a)</sup>	2024	variable	3,415	3,243	4,190	
CRC Incremental Term Loan <sup>(a)</sup>	2025	variable	1,004	972	1,705	
CEI Revolving Credit Facility	2028	variable	—	—	—	
CEI Term Loan A	2028	variable	750	747	—	
CRC Senior Secured Notes	2025	5.75%	989	979	985	
CEI Senior Secured Notes	2025	6.25%	3,400	3,360	3,346	
Convention Center Mortgage Loan	2025	8.01%	400	400	399	
<b>Unsecured Debt</b>						
CEI Senior Notes due 2027	2027	8.125%	1,611	1,589	1,673	
CEI Senior Notes due 2029	2029	4.625%	1,200	1,186	1,183	
Special Improvement District Bonds	2037	4.30%	47	47	49	
Long-term notes and other payables			2	2	2	
Total debt			13,085	12,787	13,807	
Current portion of long-term debt			(108)	(108)	(70)	
Deferred finance charges associated with the CEI Revolving Credit Facility			—	(20)	(15)	
Long-term debt			\$ 12,977	\$ 12,659	\$ 13,722	
Unamortized discounts and deferred finance charges				\$ 318	\$ 531	
Fair value			\$ 12,675			

<sup>(a)</sup> Refer to "Subsequent Amendment to the CEI Credit Agreement and issuance of New Senior Secured Notes" for a discussion of the repayment of these term loans.

### Annual Estimated Debt Service Requirements

<i>(In millions)</i>	Years Ended December 31,						
	2023	2024 <sup>(a)</sup>	2025 <sup>(a)</sup>	2026	2027	Thereafter <sup>(a)</sup>	Total
Annual maturities of long-term debt	\$ 108	\$ 3,690	\$ 5,797	\$ 40	\$ 1,651	\$ 1,799	\$ 13,085
Estimated interest payments	920	830	560	220	220	120	2,870
Total debt service obligation <sup>(b)</sup>	\$ 1,028	\$ 4,520	\$ 6,357	\$ 260	\$ 1,871	\$ 1,919	\$ 15,955

<sup>(a)</sup> Maturities of \$3.4 billion in 2024 and \$1.0 billion in 2025 were repaid with the net proceeds of the \$2.5 billion CEI Term Loan B and the \$2.0 billion CEI Senior Secured Notes, due 2030. See "Subsequent Amendment to the CEI Credit Agreement and issuance of New Senior Secured Notes" below.

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

### Current Portion of Long-Term Debt

The current portion of long-term debt as of December 31, 2022 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 the original maturity or payment dates.

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Net amortization of the debt issuance costs and the discount and/or premium associated with the Company's indebtedness totaled \$139 million, \$177 million and \$80 million for the years ended December 31, 2022, 2021 and 2020, respectively. Amortization of debt issuance costs is computed using the effective interest method and is included in interest expense.

#### **Fair Value**

The fair value of debt has been calculated primarily based on the borrowing rates available as of December 31, 2022 and based on market quotes of our publicly traded debt. We classify the fair value of debt within Level 1 and Level 2 in the fair value hierarchy.

#### **Terms of Outstanding Debt**

##### Baltimore Term Loan and Baltimore Revolving Credit Facility

As a result of the increased ownership interest in Horseshoe Baltimore, the Company began to consolidate the aggregate principal amount of Horseshoe Baltimore's senior secured term loan facility (the "Baltimore Term Loan") and amount outstanding, if any, under Horseshoe Baltimore's senior secured revolving credit facility (the "Baltimore Revolving Credit Facility"). The Baltimore Term Loan matures in July 2024 and is subject to a variable rate of interest calculated as LIBOR plus 4.00%. The Baltimore Revolving Credit Facility has borrowing capacity of up to \$10 million, subject to a variable rate of interest calculated as Term SOFR plus 4.00% subject to one 0.25% step-down based on senior secured leverage ratio, the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). On June 24, 2022, the Company entered into an amendment related to the Baltimore Revolving Credit Facility to extend the maturity date to July 7, 2023. As of December 31, 2022, there was \$10 million of available borrowing capacity under the Baltimore Revolving Credit Facility. On November 14, 2022, the Company made partial prepayment of \$10 million of the outstanding principal balance of the Baltimore Term Loan.

##### CRC Term Loans and CRC Revolving Credit Facility

The CRC Term Loan, the CRC Incremental Term Loan and the CRC Revolving Credit Facility were subject to the terms described below prior to termination or repayment. The CRC Revolving Credit Facility was terminated in October 2022 and on February 6, 2023, the Company repaid the CRC Term Loan and the CRC Incremental Term Loan with proceeds from a new CEI Term Loan B and new CEI Senior Secured Notes, due 2030. See "Subsequent Amendment to the CEI Credit Agreement and issuance of New Senior Secured Notes" below.

CRC was party to a credit agreement, dated as of December 22, 2017 (as amended, the "CRC Credit Agreement"), which provided for a \$1.0 billion five-year revolving credit facility (the "CRC Revolving Credit Facility"), an initial \$4.7 billion seven-year senior secured term loan (the "CRC Term Loan"), and an incremental \$1.8 billion five-year senior secured term loan that was incurred in connection with the Merger (the "CRC Incremental Term Loan").

The CRC Term Loan had a maturity date in December 2024 and the CRC Incremental Term Loan had a maturity date in July 2025. The CRC Term Loan and the CRC Incremental Term Loan required scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balances due at maturity. The CRC Credit Agreement also included customary voluntary and mandatory prepayment provisions, subject to certain exceptions.

The CRC Revolving Credit Facility contained a maturity date in December 2022 and included a \$400 million letter of credit sub-facility.

Borrowings under the CRC Credit Agreement were subject to interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan and (b) with respect to the CRC Incremental Term Loan, 3.50% per annum in the case of any LIBOR loan or 2.50% in the case of any base rate loan. The CRC Term Loan and the CRC Incremental Term Loan were LIBOR based loans as of December 31, 2022.

During the year ended December 31, 2022, the Company utilized and fully repaid borrowings on the CRC Revolving Credit Facility, prior to its termination. Additionally, the Company made several partial prepayments of outstanding principal of the CRC Term Loan utilizing operating cash flows totaling \$300 million, excluding the prepayments resulting from the proceeds of the CEI Term Loan A described below, and recognized a related \$16 million loss on the early extinguishment of debt during the year ended December 31, 2022.

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Following the closing of the sale of William Hill International, the Company utilized the proceeds from the sale, as well as cash on hand to make partial prepayments totaling \$755 million of the outstanding principal of the CRC Incremental Term Loan and recognized a \$27 million loss on the early extinguishment of debt during the year ended December 31, 2022.

On October 5, 2022, in connection with the Third Amendment (as defined below) to the CEI Credit Agreement, the Company utilized the entire proceeds of a new \$750 million CEI Term Loan A (as defined below) to make a partial prepayment of the outstanding principal of the CRC Term Loan, as well as terminate the CRC Revolving Credit Facility. As a result of the partial prepayment, the Company recognized a \$41 million loss on the early extinguishment of debt. See below.

*CEI Term Loan A and CEI Revolving Credit Facility*

CEI is party to a credit agreement, dated as of July 20, 2020, with JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent, and certain banks and other financial institutions and lenders party thereto (the “CEI Credit Agreement”), which provided 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 contained reserves of \$190 million which are available only for certain permitted uses. On May 23, 2022, the Company obtained approval for a reduction of \$150 million in required reserves. Prior to further amendment, described below, the CEI Revolving Credit Facility was scheduled to mature in July 2025 and included a letter of credit sub-facility of \$250 million.

Prior to the Third Amendment (as defined below) of the CEI Credit Agreement on October 5, 2022, the interest rate per annum applicable under the CEI Revolving Credit Facility, at the Company’s option was 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 rate of interest per annum last quoted by The Wall Street Journal as the “Prime Rate” in the United States and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin was 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 net total leverage ratio.

Additionally, prior to the Third Amendment (as defined below) of the CEI Credit Agreement, the Company was required to pay a commitment fee in respect of any unused commitments under the CEI Revolving Credit Facility in the amount of 0.50% per annum, subject to a step-down to 0.375% per annum based upon the Company’s net total leverage ratio. The Company was 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% per annum of the daily stated amount of such letter of credit.

On October 5, 2022, Caesars entered into a third amendment to the CEI Credit Agreement (the “Third Amendment”) pursuant to which the Company (a) incurred a senior secured term loan in an aggregate principal amount of \$750 million (the “CEI Term Loan A”) as a new term loan under the credit agreement, (b) amended and extended the CEI Revolving Credit Facility under the CEI Credit Agreement (the CEI Revolving Credit Facility, as so amended, the “Amended CEI Revolving Credit Facility” and, together with the CEI Term Loan A, the “Senior Credit Facilities”), (c) increased the aggregate principal amount of the CEI Revolving Credit Facility to \$2.25 billion, and (d) made certain other amendments to the CEI Credit Agreement. Both the Amended CEI Revolving Credit Facility and the new CEI Term Loan A mature on January 31, 2028, subject to a springing maturity in the event certain other long-term debt of Caesars is not extended or repaid. The Amended CEI Revolving Credit Facility includes a letter of credit sub-facility of \$388 million. The CEI Term Loan A requires scheduled quarterly payments in amounts equal to 1.25% of the original aggregate principal amount of the CEI Term Loan A, with the balance payable at maturity. The Company may make voluntary prepayments of the CEI Term Loan A at any time prior to maturity at par.

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

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As of December 31, 2022, the Company had \$2.1 billion of available borrowing capacity under the Amended CEI Revolving Credit Facility, after consideration of \$82 million in outstanding letters of credit, \$48 million committed for regulatory purposes and the reserves described above.

*Subsequent Amendment to the CEI Credit Agreement and issuance of New Senior Secured Notes*

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

Additionally, on February 6, 2023, Caesars entered into an Incremental Assumption Agreement No. 2 pursuant to which the Company incurred a new senior secured term loan facility in an aggregate principal amount of \$2.5 billion (the “CEI Term Loan B”) as a new term loan under the CEI Credit Agreement. The CEI Term Loan B requires scheduled quarterly amortization payments in amounts equal to 0.25% of the original aggregate principal amount of the CEI Term Loan B, with the balance payable at maturity. Borrowings under the CEI Term Loan B bear interest at a rate equal to, at the Company’s option, either (a) a forward-looking term rate based on the secured overnight financing rate for the applicable interest period plus an adjustment of 0.10% per annum (“Adjusted Term SOFR”), subject to a floor of 0.50% or (b) a base rate (the “Base Rate”) determined by reference to the highest of (i) the rate of interest per annum last quoted by The Wall Street Journal as the “Prime Rate” in the United States, (ii) the federal funds rate plus 0.50% per annum and (iii) the one-month Adjusted Term SOFR plus 1.00% per annum, in each case, plus an applicable margin. Such applicable margin is 3.25% per annum in the case of any Adjusted Term SOFR loan and 2.25% per annum in the case of any Base Rate loan, subject to one 0.25% step-down based on the Company’s net total leverage ratio. The CEI Term Loan B was issued at a price of 99.0% of the principal amount and will mature in February 2030.

The net proceeds from the issuance of the CEI Senior Secured Notes due 2030 and the net proceeds from the CEI Term Loan B, were used to repay the outstanding principal balance, including accrued and unpaid interest, of both the CRC Term Loan and the CRC Incremental Term Loan. The remaining net proceeds were to be used to pay related fees, or for general corporate use. Upon the termination of the CRC Term Loan and the CRC Incremental Term Loan, the Company recorded a loss on extinguishment of debt of approximately \$200 million.

*CRC Senior Secured Notes due 2025*

On July 6, 2020, Colt Merger Sub, Inc. (the “Escrow Issuer”) issued \$1.0 billion in aggregate principal amount of 5.75% Senior Secured Notes due 2025 pursuant to an indenture, dated July 6, 2020 (the “CRC Senior Secured Notes”), by and among the Escrow Issuer, U.S. Bank National Association, as trustee and Credit Suisse AG, Cayman Islands Branch, as collateral agent. 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 rank equally with all existing and future first priority lien obligations of CRC, CRC Finco, Inc. and the subsidiary guarantors. The CRC Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year. During the year ended December 31, 2022, the Company purchased a total of \$11 million in principal amount of the CRC Senior Secured Notes.

*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 rank equally with all existing and future first-priority lien obligations of the Company and the subsidiary guarantors. 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 on the anniversary of the closing date to a maximum interest rate of 8.3% per annum.

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CEI Senior Notes due 2027

On July 6, 2020, the Escrow Issuer issued \$1.8 billion in aggregate principal amount of 8.125% Senior Notes due 2027 pursuant to an indenture, dated July 6, 2020 (the “CEI Senior Notes due 2027”), by and between the Escrow Issuer and U.S. Bank National Association, as trustee. The Company assumed the rights and obligations under the CEI Senior Notes due 2027 and the indenture governing such notes on July 20, 2020. The CEI Senior Notes due 2027 rank equally with all existing and future senior unsecured indebtedness of the Company and the subsidiary guarantors. The CEI Senior Notes due 2027 will mature on July 1, 2027 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year. During the year ended December 31, 2022, the Company purchased a total of \$89 million in principal amount of the CEI Senior Notes due 2027.

CEI Senior Notes due 2029

On September 24, 2021, the Company issued \$1.2 billion in aggregate principal amount of 4.625% Senior Notes due 2029 (the “CEI Senior Notes due 2029”) pursuant to an indenture dated as of September 24, 2021 between the Company and U.S. Bank National Association, as Trustee. The CEI Senior Notes due 2029 rank equally with all existing and future senior unsecured indebtedness of the Company and the subsidiary guarantors. The CEI Senior Notes due 2029 will mature on October 15, 2029 with interest payable on April 15 and October 15 of each year, which began on April 15, 2022.

Summary of Debt and Revolving Credit Facility Cash Flows from Financing Activities in 2022

<u>(In millions)</u>	<b>Proceeds</b>	<b>Repayments <sup>(a)</sup></b>
CRC Revolving Credit Facility	\$ 750	\$ 750
CEI Term Loan A	750	—
CEI Senior Notes due 2027	—	89
CRC Term Loan	—	1,097
CRC Incremental Term Loan	—	773
CRC Senior Secured Notes	—	11
Baltimore Term Loan	—	16
Special Improvement District Bonds	—	2
<b>Total</b>	<b>\$ 1,500</b>	<b>\$ 2,738</b>

<sup>(a)</sup> Includes contractually scheduled repayments as well as voluntary accelerated repayments.

Debt Covenant Compliance

The CRC Credit Agreement, the Senior Credit Facilities, the Baltimore Term Loan, the Baltimore Revolving Credit Facility and the indentures governing the CEI Senior Secured Notes, the CEI Senior Notes due 2027, the CEI Senior Notes due 2029, and the CRC Senior Secured 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.

Following the Third Amendment, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a maximum net total leverage ratio financial covenant of 7.25:1 until December 31, 2024 and 6.50:1 from and after December 31, 2024. In addition, the Amended CEI Revolving Credit Facility and the CEI Term Loan A include a minimum fixed charge coverage ratio financial covenant of 1.75:1 until December 31, 2024 and 2.00:1 from and after December 31, 2024. From and after the repayment of the CEI Term Loan A, the financial covenants applicable to the Amended CEI Revolving Credit Facility will be tested solely to the extent that certain testing conditions are satisfied. The Baltimore Revolving Credit Facility includes a net senior secured leverage ratio financial covenant of 5.0:1. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document.

As of December 31, 2022, the Company was in compliance with all of the applicable financial covenants described above.

Guarantees

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

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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 the Company.

### Note 13. Revenue Recognition

#### Accounting Policies

##### Casino Revenues

Our casino revenues consists of gaming wagers, pari-mutuel commissions, sports betting and iGaming wagers. The Company recognizes as casino revenue the net win from these gaming activities, which is the difference between gaming wins and losses, not the total amount wagered. Progressive jackpots are accrued and charged to revenue at the time the obligation to pay the jackpot is established. Gaming revenues are recognized net of free bets, free play, matched deposits, and other similar incentives to its customers. During significant promotional periods, such as entering new jurisdictions with our Caesars Sportsbook or Caesars Racebook apps, such activity could result in negative net gaming revenue. Such periods are not expected to be long in duration as our level of investment during these promotional periods is within our discretion. Pari-mutuel commissions consist of commissions earned from thoroughbred and harness racing and importing of simulcast signals from other race tracks and are recognized at the time wagers are made. Such commissions are a designated portion of the wagering handle as determined by state racing commissions and are shown net of the taxes assessed by state and local agencies, as well as purses and other contractual amounts paid to horsemen associations. The Company recognizes revenues from fees earned through the exporting of simulcast signals to other race tracks at the time wagers are made, which are recorded on a gross basis. Such fees are based upon a predetermined percentage of handle as contracted with the other race tracks.

##### Non-gaming Revenues

Hotel, food and beverage, and other operating revenues are recognized as services are performed and is the net amount collected from the customer for such goods and services. Hotel, food and beverage services have been determined to be separate, stand-alone performance obligations and are recorded as revenue as the good or service is transferred to the customer over the customer's stay at the hotel or when the delivery is made for the food and beverage. Advance deposits for future hotel occupancy, convention space or food and beverage services contract are recorded as deferred income until revenue recognition criteria has been met. The Company also provides goods and services that may include multiple performance obligations, such as for packages, for which revenues are allocated on a pro rata basis based on each service's stand-alone selling price.

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

The Company's Statement 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. Refer to Note 1 and Note 19 for additional information on the Company's reportable segments.

	Year Ended December 31, 2022					
<i>(In millions)</i>	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino	\$ 1,247	\$ 4,291	\$ 462	\$ —	\$ (3)	\$ 5,997
Food and beverage	1,063	533	—	—	—	1,596
Hotel	1,341	616	—	—	—	1,957
Other	636	264	86	282	3	1,271
Net revenues	<u>\$ 4,287</u>	<u>\$ 5,704</u>	<u>\$ 548</u>	<u>\$ 282</u>	<u>\$ —</u>	<u>\$ 10,821</u>

	Year Ended December 31, 2021					
<i>(In millions)</i>	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino	\$ 1,226	\$ 4,305	\$ 296	\$ —	\$ —	\$ 5,827
Food and beverage	702	438	—	—	—	1,140
Hotel	968	583	—	—	—	1,551
Other	513	211	41	278	9	1,052
Net revenues	<u>\$ 3,409</u>	<u>\$ 5,537</u>	<u>\$ 337</u>	<u>\$ 278</u>	<u>\$ 9</u>	<u>\$ 9,570</u>

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

<i>(In millions)</i>	Year Ended December 31, 2020					
	Las Vegas	Regional	Caesars Digital	Managed and Branded	Corporate and Other	Total
Casino	\$ 319	\$ 2,079	\$ 84	\$ —	\$ —	\$ 2,482
Food and beverage	130	211	—	1	—	342
Hotel	186	264	—	—	—	450
Other	116	106	11	106	15	354
Net revenues	<u>\$ 751</u>	<u>\$ 2,660</u>	<u>\$ 95</u>	<u>\$ 107</u>	<u>\$ 15</u>	<u>\$ 3,628</u>

Accounts Receivable and Credit Risk

We issue credit to approved casino customers following investigations of creditworthiness. Business or economic conditions or other significant events could affect the collectability of these receivables. Accounts receivable are non-interest bearing and are initially recorded at cost.

Marker play represents a meaningful portion of our overall table games volume. We maintain strict controls over the issuance of markers and aggressively pursue collection from those customers who fail to pay their marker balances timely. These collection efforts include the mailing of statements and delinquency notices, personal contacts, the use of outside collection agencies and civil litigation. Markers are generally legally enforceable instruments in the United States. Markers are not legally enforceable instruments in some foreign countries, but the United States assets of foreign customers may be reached to satisfy judgments entered in the United States. We consider the likelihood and difficulty of enforceability, among other factors, when we issue credit to customers who are not residents of the United States.

Trade receivables, including casino and hotel receivables, are typically non-interest bearing. Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. Management believes that as of December 31, 2022 and 2021, no significant concentrations of credit risk related to receivables existed.

Reserve for Uncollectible Accounts Receivable

An estimated allowance for doubtful accounts is maintained to reduce the Company's receivables to their carrying amount, which approximates fair value. The allowance is estimated based on specific review of customer accounts, historical collection experience and reasonable forecasts which consider current economic and business conditions. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for bad debts.

Accounts Receivable, Net

<i>(In millions)</i>	December 31,	
	2022	2021
Casino	\$ 259	\$ 168
Food and beverage and hotel	144	100
Other	208	204
Accounts receivable, net	<u>\$ 611</u>	<u>\$ 472</u>

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

Allowance for Doubtful Accounts

<u>(In millions)</u>	<u>Contracts</u>	<u>Other <sup>(a)</sup></u>	<u>Total</u>
Balance as of January 1, 2020	\$ 4	\$ 1	\$ 5
Former Caesars consolidation	95	35	130
Provision for doubtful accounts	18	11	29
Write-offs less recoveries	3	(29)	(26)
Balance as of December 31, 2020	120	18	138
Provision for doubtful accounts	16	10	26
Write-offs less recoveries	(26)	(8)	(34)
Balance as of December 31, 2021	110	20	130
Provision for doubtful accounts	13	12	25
Write-offs less recoveries	(22)	(15)	(37)
Balance as of December 31, 2022	<u>\$ 101</u>	<u>\$ 17</u>	<u>\$ 118</u>

<sup>(a)</sup> "Other" includes allowance associated with lease receivables under ASC 842. See Note 10 for further details.

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 certain types of customer spend, including online and retail gaming, hotel, dining, retail shopping, and player loyalty program incentives earned, and (3) customer deposits and other deferred revenue, which primarily represents funds deposited by customers related to gaming play, advance payments received for goods and services yet to be provided (such as advance ticket sales, deposits on rooms and convention space, unpaid wagers, iGaming deposits, or future sports bets). These liabilities are generally expected to be recognized as revenue within one year of being purchased, earned, or deposited and are recorded within accrued other liabilities on the Company's Balance Sheets. Liabilities expected to be recognized as revenue beyond one year of being purchased, earned, or deposited are recorded within other long-term liabilities on the Company's Balance Sheets.

Outstanding Chip Liability

The Company recognizes the impact on gaming revenues on an annual basis to reflect an estimate of the change in the value of outstanding chips that are not expected to be redeemed. This estimate is determined by measuring the difference between the total value of chips placed in service less the value of chips under our control. This measurement is performed on an annual basis utilizing a methodology in which a consistent formula is applied to estimate the percentage of chips not in our custody that are not expected to be redeemed. In addition to the formula, certain judgments are made with regard to various denominations and souvenir chips. The outstanding chip liability is included in accrued other liabilities on the Balance Sheets.

Caesars Rewards Loyalty Program

Caesars Rewards grants Reward Credits to Caesars Rewards Members based on various types of consumer spend, including online and retail gaming, hotel, dining, and retail shopping at Caesars-affiliated properties. Members may redeem Reward Credits for complimentary or discounted goods and services such as rooms, food and beverages, merchandise, free play, entertainment, and travel accommodations. Members are able to accumulate Reward Credits over time that they may redeem at their discretion under the terms of the program. A member's Reward Credit balance is forfeited if the member does not earn at least one Reward Credit during a continuous six-month period.

Because of the significance of the Caesars Rewards program and the ability for customers to accumulate Reward Credits based on their past play, we have determined that Reward Credits granted in conjunction with other earning activity represent a performance obligation. As a result, for transactions in which Reward Credits are earned, we allocate a portion of the transaction price to the Reward Credits that are earned based upon the relative standalone selling prices ("SSP") of the goods and services involved. When the activity underlying the "earning" of the Reward Credits has a wide range of selling prices and is highly variable, such as in the case of gaming activities, we use the residual approach in this allocation by computing the value of the Reward Credits as described below and allocating the residual amount to the gaming activity. This allocation results in a significant portion of the transaction price being deferred and presented as a Contract liability on our accompanying Balance Sheets. Any amounts allocated to Contract liabilities are recognized as revenue when the Reward Credits are redeemed in accordance with the specific recognition policy of the activity for which the credits are redeemed.

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

Our Caesars Rewards loyalty program includes various tiers that offer different benefits, and members are able to earn credits towards tier status, which generally enables them to receive discounts similar to those provided as complimentary described below. We have determined that any such discounts received as a result of tier status do not represent material rights, and therefore, we do not account for them as distinct performance obligations.

We have determined the SSP of a Reward Credit by computing the redemption value of credits expected to be redeemed. Because Reward Credits are not otherwise independently sold, we analyzed all Reward Credit redemption activity over the preceding calendar year and determined the redemption value based on the fair market value of the goods and services for which the Reward Credits were redeemed. We have applied the practical expedient under the portfolio approach to our Reward Credit transactions because of the similarity of gaming and other transactions and the homogeneity of Reward Credits.

As part of determining the SSP for Reward Credits, we also determined that there is generally an amount of Reward Credits that is not redeemed, which is considered “breakage.” We recognize the expected breakage proportionally with the pattern of revenue recognized related to the redemption of Reward Credits. We periodically reassess our customer behaviors and revise our expectations as deemed necessary on a prospective basis.

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

<i>(In millions)</i>	Outstanding Chip Liability		Caesars Rewards		Customer Deposits and Other Deferred Revenue	
	2022	2021	2022	2021	2022	2021
Balance at January 1	\$ 48	\$ 34	\$ 91	\$ 94	\$ 560	\$ 310
Balance at December 31	45	48	87	91	693	560
Increase (decrease)	\$ (3)	\$ 14	\$ (4)	\$ (3)	\$ 133	\$ 250

The table above excludes liabilities related to assets held for sale as of December 31, 2021 (see Note 4). Customer deposits and other deferred revenues have increased primarily due to our expansion in the Caesars Digital segment with the legalization of retail and online sports betting in new states.

Complimentaries

The Company offers discretionary coupons and other discretionary complimentary to customers outside of the loyalty program such as matching deposits, free bets and free play. Such complimentary are provided in conjunction with other revenue-earning activities and are generally provided to encourage additional customer spending on those activities. Accordingly, the Company allocates a portion of the transaction price received from such customers to the complimentary goods and services. The Company performs this allocation based on the SSP of the underlying goods and services, which is determined based upon the weighted-average cash sales prices received for similar services at similar points during the year. The retail value of complimentary food, beverage, hotel rooms and other services provided to customers is recognized as a reduction of revenues for the department which issued the complimentary and revenue for the department redeemed. Complimentary provided by third parties at the discretion and under the control of the Company is recorded as an expense when incurred.

The Company’s revenues included complimentary and loyalty point redemptions totaling \$1.2 billion, \$1.0 billion and \$406 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**Note 14. Earnings per Share**

Basic earnings per share (“EPS”) is computed by dividing net income (loss) by the weighted average shares outstanding during the reporting period. Diluted EPS is computed similarly to basic EPS except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options and the assumed vesting of restricted share units, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised, that outstanding restricted share units were released and that the proceeds from such activities were used to acquire shares of common stock at the average market price during the reporting period.

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

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

The following table illustrates the required disclosure of the reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share computations during the years ended December 31, 2022, 2021 and 2020:

<i>(In millions, except per share amounts)</i>	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net loss from continuing operations attributable to Caesars, net of income taxes	\$ (513)	\$ (989)	\$ (1,737)
Discontinued operations, net of income taxes	(386)	(30)	(20)
Net loss attributable to Caesars	<u>\$ (899)</u>	<u>\$ (1,019)</u>	<u>\$ (1,757)</u>
Shares outstanding:			
Weighted average shares outstanding – basic	214	211	130
Effect of dilutive securities:			
Stock-based compensation awards	—	—	—
Weighted average shares outstanding – diluted	<u>214</u>	<u>211</u>	<u>130</u>
Basic loss per share from continuing operations	\$ (2.39)	\$ (4.69)	\$ (13.35)
Basic loss per share from discontinued operations	(1.80)	(0.14)	(0.15)
Net loss per common share attributable to common stockholders – basic:	<u>\$ (4.19)</u>	<u>\$ (4.83)</u>	<u>\$ (13.50)</u>
Diluted loss per share from continuing operations	\$ (2.39)	\$ (4.69)	\$ (13.35)
Diluted loss per share from discontinued operations	(1.80)	(0.14)	(0.15)
Net loss per common share attributable to common stockholders – diluted:	<u>\$ (4.19)</u>	<u>\$ (4.83)</u>	<u>\$ (13.50)</u>

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

<i>(In millions)</i>	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Stock-based compensation awards	3	3	9
5% Convertible notes	—	—	4
Total anti-dilutive common stock	<u>3</u>	<u>3</u>	<u>13</u>

## **Note 15. Stock-Based Compensation and Stockholders' Equity**

### **Stock-Based Awards**

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

### Performance Incentive Plans

In 2015, the Board of Directors (“Board”) adopted, and the Company’s stockholders approved, the 2015 Equity Incentive Plan (“2015 Plan”). In 2019, the Company’s Board approved, and the Company’s stockholders approved, the amended and restated 2015 Plan. The amendment to the 2015 Plan allows for 3 million shares available for grant, plus the number of shares available for issuance under the 2015 Plan on the date the Company’s stockholders approved the amendment. As of December 31, 2022, the Company had 5 million shares available for grant under the 2015 Plan.

Equity awards granted to employees and executive officers generally vest within one to three years from the grant date either ratably on each anniversary, or entirely at the end of the service period. Awards may also contain performance conditions in addition to time based vesting conditions. Performance awards relate to the achievement of defined levels of performance and will vest and become payable at the end of the vesting period. Performance awards may contain targeted performance levels, which may ultimately vest within a range of 0% to 200% of the target award, based on defined operating metrics or market performance as compared to a peer group. RSUs granted to non-employee directors generally vest immediately and are issued on the vesting date, or may be deferred.

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

Total stock-based compensation expense in the accompanying Statements of Operations was \$101 million, \$82 million and \$79 million during the years ended December 31, 2022, 2021 and 2020, respectively. These amounts are included in corporate expenses and, in the case of certain property positions, general and administrative expenses in the Company's Statements of Operations.

Restricted Stock Unit Activity

During the year ended December 31, 2022, as part of the annual incentive program, the Company granted RSUs to employees of the Company with an aggregate fair value of \$56 million. Each RSU represents the right to receive payment in respect of one share of the Company's Common Stock.

A summary of the RSUs activity for the year ended December 31, 2022 is presented in the following table:

	Units	Weighted Average Grant Date Fair Value <sup>(a)</sup>
Unvested outstanding as of December 31, 2021	2,090,607	\$ 61.47
Granted <sup>(b)</sup>	773,778	70.58
Vested	(907,764)	55.88
Forfeited	(93,140)	67.12
Unvested outstanding as of December 31, 2022	<u>1,863,481</u>	<u>66.87</u>

<sup>(a)</sup> Represents the weighted-average grant date fair value of RSUs, which is the share price of our common stock on the grant date.

<sup>(b)</sup> Included are 23,956 RSUs granted to non-employee members of the Board during the year ended December 31, 2022.

Performance Stock Unit Activity

During the year ended December 31, 2022, the Company granted approximately 80 thousand PSUs that are scheduled to vest over a period of one to three years from the grant date. 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 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 \$3 million as of December 31, 2022.

A summary of the PSUs activity for the year ended December 31, 2022 is presented in the following table:

	Units	Weighted Average Grant Date Fair Value <sup>(a)</sup>
Unvested outstanding as of December 31, 2021	417,069	\$ 62.20
Granted	80,420	41.60
Performance Adjustment	80,030	
Vested	(191,279)	45.39
Forfeited	(3,083)	53.60
Unvested outstanding as of December 31, 2022	<u>383,157</u>	<u>51.73</u>

<sup>(a)</sup> This represents the weighted-average grant date fair value for PSUs where the grant date has been achieved or the price of our common stock as of the balance sheet date for PSUs where a grant date has not been achieved.

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Market-Based Stock Unit Activity

During the year ended December 31, 2022, the Company granted approximately 428 thousand MSUs that are scheduled to cliff vest over a period of one to three years from the grant date. On the vesting date, recipients will receive between 0% and 200% of the granted MSUs in the form of Company Common Stock based on the achievement of specified market and service conditions. Based on the terms and conditions of the awards, 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. Included in the MSUs granted during the period is an award for the Company's CEO in the amount of 225,000 MSUs, with a grant date fair value of \$16 million which is eligible to be earned based on the achievement of certain stock prices over a three-year period. The stock-based compensation expense associated with this award was recognized over the derived service period ending December 31, 2022. The aggregate value of MSUs granted during the year ended December 31, 2022 was \$36 million.

A summary of the MSUs activity for the year ended December 31, 2022 is presented in the following table:

	Units	Weighted- Average Fair Value <sup>(a)</sup>
Unvested outstanding as of December 31, 2021	381,923	\$ 77.09
Granted	428,153	82.96
Performance Adjustment	56,591	
Vested	(117,149)	37.88
Forfeited	(7,715)	102.76
Unvested outstanding as of December 31, 2022	<u>741,803</u>	<u>83.24</u>

<sup>(a)</sup> Represents the grant date fair value determined using a Monte Carlo simulation model.

Stock Option Activity

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2021	43,905	\$ 20.69	1.05	\$ 3
Exercised	(43,384)	20.63		
Expired	(433)	26.65		
Outstanding as of December 31, 2022	<u>88</u>	<u>30.63</u>	<u>0.14</u>	<u>—</u>
Vested and expected to vest as of December 31, 2022	<u>88</u>	<u>30.63</u>	<u>0.14</u>	<u>—</u>
Exercisable as of December 31, 2022	<u>88</u>	<u>30.63</u>	<u>0.14</u>	<u>—</u>

Stock Option Exercises

<i>(Dollars in millions)</i>	Years Ended December 31,		
	2022	2021	2020
Option Exercises:			
Number of options exercised	43,384	114,884	70,608
Cash received for options exercised	\$ 1	\$ 3	\$ 1
Aggregate intrinsic value of options exercised	\$ 2	\$ 9	\$ 5

Unrecognized Compensation Cost

As of December 31, 2022, the Company had \$92 million of unrecognized compensation expense, which is expected to be recognized over a weighted-average period of 1.2 years.

**Common Stock**

On June 19, 2020, the Company completed the public offering of 20,700,000 shares (including the shares sold pursuant to the underwriters' overallotment option) of Company Common Stock, at an offering price of \$39.00 per share, which provided \$772 million of proceeds, net of fees and estimated expenses of \$35 million.

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On October 1, 2020, the Company completed the public offering of 35,650,000 shares (including the shares sold pursuant to the underwriters' over-allotment option) of Company Common Stock, at an offering price of \$56.00 per share, which provided \$1.9 billion of proceeds, net of fees and estimated expenses of \$50 million.

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.

#### ***Preferred Stock***

On June 17, 2021, following receipt of required shareholder approvals, the Company amended its Certificate of Incorporation to authorize the issuance of up to 150 million shares of preferred stock.

#### ***Share Repurchase Program***

In November 2018, the Board 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 December 31, 2022, the Company has acquired 223,823 shares of common stock at an aggregate value of \$9 million and an average of \$40.80 per share. No shares were repurchased during the years ended December 31, 2022 or 2021.

### **Note 16. Employee Benefit Plans**

#### ***401(k) Plans***

The Company offers several savings and retirement plans to substantially all employees who are not covered by collective bargaining agreements, who meet certain eligibility requirements, namely terms of service. All existing savings and retirement plans merged into the Caesars Entertainment, Inc. 401(k) Plan. Under the 401(k) plan, the Company matches contributions equal to 50% of the first 6% as outlined per plan documents.

The Company's matching contribution expense totaled \$29 million, \$27 million and \$11 million for the years ended December 31, 2022, 2021 and 2020, respectively.

#### ***Defined-Benefit Plans***

Scioto Downs sponsors a noncontributory defined-benefit plan covering all full-time employees meeting certain age and service requirements. On May 31, 2001, the plan was amended to freeze eligibility, accrual of years of service and benefits. As of December 31, 2022, the fair value of the plan assets and benefit obligation was \$1 million. The plan assets are comprised primarily of money market and mutual funds whose values are determined based on quoted market prices and are classified in Level 1 of the fair value hierarchy. We did not make cash contributions to the Scioto Downs pension plan during 2022, 2021 and 2020.

In addition, the Company also sponsors a defined-benefit plan for certain Tropicana Atlantic City employees under a Variable Annuity Pension Plan. As of December 31, 2022, the fair value of the plan assets was \$21 million and benefit obligations was \$15 million. Contributions to the plan were \$2 million for the year ended December 31, 2022 and less than \$1 million for the year ended December 31, 2021.

#### ***Deferred Compensation Plans***

CEI assumed Former Caesars deferred compensation plans, the Caesars Entertainment Corporation Executive Supplemental Savings Plan III ("ESSP III") and the Caesars Entertainment Corporation Outside Director Deferred Compensation Plan. These plans are unfunded, non-qualified deferred compensation plans. Payment obligations pursuant to the plans are unsecured general obligations of the Company and affiliates of the Company employing participants in the ESSP III. The liability as of December 31, 2022 and 2021 was \$2 million and \$3 million, respectively, which was recorded in Other long-term liabilities on the Balance Sheets.

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As of December 31, 2022, certain current and former employees of Caesars, and our subsidiaries and affiliates, have balances under: (i) the Harrah's Entertainment, Inc. Executive Supplemental Savings Plan, (ii) the Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, (iii) the Park Place Entertainment Corporation Executive Deferred Compensation Plan, (iv) the Harrah's Entertainment, Inc. Deferred Compensation Plan, and (v) the Harrah's Entertainment, Inc. Executive Deferred Compensation Plan (collectively, the "existing deferred compensation plans"). These plans are deferred compensation plans that allow certain employees an opportunity to save for retirement and other purposes. Each of the plans is now frozen and is no longer accepting contributions. However, participants may still earn returns on existing plan balances based upon their selected investment alternatives, which are reflected in their deferral accounts. The total liability recorded in Other long-term liabilities on the Balance Sheets for these plans was \$33 million and \$43 million as of December 31, 2022 and 2021, respectively.

#### Trust Assets

CEI is a party to a trust agreement (the "Trust Agreement") and an escrow agreement with respect to all five of the existing deferred compensation plans (the "Escrow Agreement"), each structured as a so-called "rabbi trust" arrangement, which holds assets that may be used to satisfy obligations under the existing deferred compensation plans above. Amounts held pursuant to the Trust Agreement and the Escrow Agreement were \$60 million and \$87 million, respectively, as of December 31, 2022 and 2021 and have been reflected within Other assets, net on the Balance Sheets.

#### **Multi-employer Pension Plans**

As a result of the Merger, the Company continues to contribute to a number of multi-employer defined benefit pension plans under the terms of collective bargaining agreements that cover union-represented employees of Former Caesars. Prior to the Merger, no significant contributions were made to such plans. The risks of participating in these multi-employer plans are different from a single-employer plan in the following respects:

- i. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- ii. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- iii. If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunding of the plan, referred to as a "withdrawal liability."

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

Multi-employer Pension Plan Participation

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status <sup>(a)</sup>		Contributions (In millions)			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement <sup>(c)</sup>
		2022	FIP/RP Status <sup>(b)</sup>	2022	2021	2020		
Southern Nevada Culinary and Bartenders Pension Plan <sup>(d)(e)</sup>	88-6016617/001	Green	No	\$ 24	\$ 18	\$ 5	No	May 31, 2023
Legacy Plan of the UNITE HERE Retirement Fund <sup>(d)(e)(f)</sup>	82-0994119/001	Red	Yes	9	9	4	No	Various up to May 31, 2026
Central Pension Fund of the IUOE & Participating Employers	36-6052390/001	Green	No	7	6	—	N/A	March 31, 2024
Western Conference of Teamsters Pension Plan	91-6145047/001	Green	No	6	5	—	N/A	March 31, 2024
Local 68 Engineers Union Pension Plan	51-0176618/001	Yellow	Yes	1	1	—	No	April 30, 2027
Painters IUPAT	52-6073909/001	Yellow	Yes	1	1	—	No	Various up to June 30, 2026
Other Funds				2	1	5		
Total Contributions				<u>\$ 50</u>	<u>\$ 41</u>	<u>\$ 14</u>		

<sup>(a)</sup> Represents the Pension Protection Act zone status for applicable plan year beginning January 1, except where noted otherwise. The zone status is based on information that the Company received from the plan administrator and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are between 65% and less than 80% funded, and plans in the green zone are at least 80% funded. All plans detailed in the table above utilized extended amortization provisions to calculate zone status.

<sup>(b)</sup> Indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

<sup>(c)</sup> The terms of the current agreement continue indefinitely until either party provides appropriate notice of intent to terminate the contract.

<sup>(d)</sup> The Company provided more than 5% of the total contributions for the plan year ended December 31, 2020.

<sup>(e)</sup> The Company provided more than 5% of the total contributions for the plan year ended December 31, 2021 and as of the date the financial statements were issued, Forms 5500 were not available for the 2022 plan year.

<sup>(f)</sup> The HEREIU Pension Fund consists of two separate plans, the Legacy Plan of the HEREIU Pension Fund and the Adjustable Plan of the HEREIU Pension Fund. CEI makes a single contribution to the HEREIU Pension Fund, the Trustees of which allocate such contribution between the Legacy Plan and the Adjustable Plan. The contribution amount reflected to the Legacy Plan is the aggregate contribution made to the HEREIU Pension Fund before such allocation between the Legacy Plan and the Adjustable Plan of the HEREIU Pension Fund.

<sup>(g)</sup> Plan years begin July 1.

**Note 17. Income Taxes**

The components of the Company's provision for income taxes for the years ended December 31, 2022, 2021 and 2020 are presented below.

Components of Income (Loss) Before Income Taxes (In millions)	Years Ended December 31,		
	2022	2021	2020
United States	\$ (590)	\$ (1,272)	\$ (1,608)
Outside of the U.S.	25	3	2
	<u>\$ (565)</u>	<u>\$ (1,269)</u>	<u>\$ (1,606)</u>

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

<i>Income Tax Provision (Benefit)</i> <i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
United States			
Current			
Federal	\$ —	\$ (1)	\$ (43)
State & Local	7	(2)	(24)
Deferred			
Federal	(57)	(219)	208
State & Local	2	(106)	(11)
Outside of the U.S.			
Current	7	2	2
Deferred	—	43	—
	<u>\$ (41)</u>	<u>\$ (283)</u>	<u>\$ 132</u>

<i>Allocation of Income Tax Provision (Benefit)</i> <i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Income tax provision (benefit) applicable to:			
Income from operations	\$ (41)	\$ (283)	\$ 132
Discontinued operations	(50)	19	(9)
Other comprehensive income	(30)	3	8

The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate for the years ended December 31, 2022, 2021 and 2020:

<i>Effective Income Tax Rate Reconciliation</i>	Years Ended December 31,		
	2022	2021	2020
Federal statutory rate	21.0 %	21.0 %	21.0 %
State and local taxes	(0.2)%	4.2 %	5.4 %
Nondeductible compensation and benefits	(2.3)%	(0.2)%	(0.2)%
Goodwill disposition and impairment	(0.6)%	— %	(1.6)%
Transaction expenses	— %	— %	(0.5)%
Nondeductible convertible notes costs	— %	(3.3)%	(1.0)%
Decrease in uncertain tax positions	0.1 %	0.4 %	0.9 %
Change in tax rates from change in tax law before valuation allowance	(15.3)%	(1.2)%	— %
Foreign taxes	(1.1)%	0.1 %	1.0 %
Deferred tax adjustment related to William Hill acquisition	(5.3)%	— %	— %
Minority interests	(0.5)%	— %	— %
Valuation allowance	9.8 %	2.6 %	(33.9)%
Tax credits	1.8 %	0.4 %	0.1 %
Deferred tax recognition on life insurance	— %	(1.3)%	— %
Other	(0.2)%	(0.4)%	0.6 %
Effective income tax rate	<u>7.2 %</u>	<u>22.3 %</u>	<u>(8.2)%</u>

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

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred taxes at December 31, 2022 and 2021 are as follows:

<i>(In millions)</i>	<b>As of December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Deferred tax assets:</b>		
Loss carryforwards	\$ 779	\$ 1,006
Excess business interest expense	288	180
Credit carryforwards	126	114
Financing obligation	2,534	2,517
Long-term lease obligation	160	161
Other	272	330
	<u>4,159</u>	<u>4,308</u>
<b>Deferred tax liabilities:</b>		
Identified intangibles	(803)	(1,111)
Foreign investment - held for sale	—	(139)
Fixed assets	(2,243)	(2,212)
Right-of-use assets	(128)	(131)
Other	(163)	(138)
	<u>(3,337)</u>	<u>(3,731)</u>
Valuation allowance	(1,809)	(1,840)
<b>Net deferred tax liabilities</b>	<u>\$ (987)</u>	<u>\$ (1,263)</u>

The net deferred tax liabilities above are presented in the Balance Sheets as follows:

<i>(In millions)</i>	<b>As of December 31,</b>	
	<b>2022</b>	<b>2021</b>
Deferred income taxes	\$ (987)	\$ (1,111)
Assets held for sale	—	7
Liabilities related to assets held for sale	—	(159)
<b>Net deferred tax liabilities</b>	<u>\$ (987)</u>	<u>\$ (1,263)</u>

As a result of the Merger, the Company assumed \$767 million of additional net deferred tax liabilities, net of valuation allowances, plus \$24 million in additional accruals for uncertain tax positions including accrued interest. As a result of the William Hill Acquisition, the Company assumed \$381 million of additional net deferred tax liabilities net of valuation allowances, plus \$34 million in additional accruals for uncertain tax positions including accrued interest. Of the deferred tax liabilities and uncertain tax positions recorded due to the William Hill Acquisition, \$132 million and \$34 million, respectively, have been presented in Liabilities related to assets held for sale.

A valuation allowance is recognized if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax asset will not be realized. Management must analyze all available positive and negative evidence regarding realization of the deferred tax assets and make an assessment of the likelihood of sufficient future taxable income. 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 of December 31, 2022, the Company had federal and state net operating loss carryforwards of \$1.9 billion and \$9.2 billion, respectively and federal general business tax credit and research tax credit carryforwards of \$129 million, which will expire on various dates as follows:

<i>Year of Expiration</i> <i>(In millions)</i>	<b>Net Operating Losses</b>		<b>Tax Credits</b>
	<b>Federal</b>	<b>States</b>	<b>Federal</b>
2023-2027	—	530	—
2028-2032	914	1,376	39
2033-2042	589	5,030	90
Do not expire	437	2,219	—
	<u>\$ 1,940</u>	<u>\$ 9,155</u>	<u>\$ 129</u>

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

In general, Section 382 of the Internal Revenue Code provides an annual limitation with respect to the ability of a corporation to utilize its net operating loss carryovers, as well as certain built-in losses, against future taxable income in the event of a change in ownership. The Merger in July 2020 and the William Hill Acquisition in April 2021 resulted in a change in ownership for purposes of Section 382, making its provisions applicable to the Company. However, it is unlikely that the annual limitation on tax attribute usage resulting from the acquisition will adversely affect the Company's ability to utilize its net operating loss carryovers against its future taxable income.

***Reconciliation of Unrecognized Tax Benefits***

<b><i>(In millions)</i></b>	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Balance as of beginning of year	\$ 157	\$ 137	\$ —
Acquisition of Caesars Entertainment Corporation	—	—	152
Acquisition of William Hill	—	32	—
Sale of William Hill International	(24)	—	—
Additions based on tax positions related to the current year	3	4	—
Additions for tax positions of prior years	1	5	1
Reductions for tax positions for prior years	(8)	(8)	—
Settlements	—	—	(4)
Expiration of statutes	(1)	(13)	(12)
Balance as of end of year	<u>\$ 128</u>	<u>\$ 157</u>	<u>\$ 137</u>

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

We accrue interest and penalties related to unrecognized tax benefits in income tax expense. During 2022, we decreased our accrual by \$29 million, primarily due to the sale of William Hill International. During 2021, we increased our accrual by \$20 million, primarily due to the William Hill Acquisition. During 2020, we increased our accrual by \$137 million, primarily as a result of the Merger. There was no accrual for the payment of interest and penalties as of December 31, 2022 and an accrual of \$2 million as of December 31, 2021. Included in the balances of unrecognized tax benefits as of December 31, 2022 and December 31, 2021 was \$115 million and \$117 million, respectively, of unrecognized tax benefits that, if recognized, would impact the effective tax rate.

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 the consolidated group. With few exceptions, the Company is no longer subject to US federal or state and local tax assessments by tax authorities for years before 2019. We believe that it is reasonably possible that the unrecognized tax benefits liability will not materially change within the next 12 months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although we believe that adequate provision has been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on our earnings. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a favorable impact on earnings.

**Note 18. Related Parties**

***REI***

As of December 31, 2022, Recreational Enterprises, Inc. ("REI") owned approximately 4.0% of outstanding common stock of the Company. The directors of REI are the Company's Executive Chairman of the Board, Gary L. Carano, its Chief Executive Officer and Board member, Thomas R. Reeg, and its Vice President of Player Development, Gene Carano. In addition, Gary L. Carano also serves as the Vice President of REI and Gene Carano also serves as the Secretary and Treasurer of REI. Members of the Carano family, including Gary L. Carano and Gene Carano, own the equity interests in REI. For each of the years ended December 31, 2022, 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 monthly. Annual rent is subject to periodic rent escalations through the term of the lease. As of December 31, 2022 and 2021 there were no amounts due to or from CSY.

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**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 held an interest in NeoGames (see Note 5). NeoGames provides the player account management system to our wholly-owned Liberty platform. 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.

**Note 19. Segment Information**

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a “significant market” basis. Management views each of the Company’s casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. The Company’s principal operating activities occur in four reportable segments. The reportable segments are based on the similar characteristics of the operating segments with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between these reportable segments within Caesars: (1) Las Vegas, (2) Regional, (3) Caesars Digital, and (4) Managed and Branded, in addition to Corporate and Other. See table below for a summary of these segments. Also, see Note 4, Note 6 and Note 7 for a discussion of the impairment of intangibles and 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 December 31, 2022:

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

(a) During the year ended December 31, 2022, Bally’s Las Vegas was rebranded as Horseshoe Las Vegas, Isle Casino Hotel - Black Hawk was rebranded as Horseshoe Black Hawk, Indiana Grand was rebranded as Horseshoe Indianapolis, Isle Casino Racing Pompano Park was rebranded as Harrah’s Pompano Beach, and Lumière Place Casino was rebranded as Horseshoe St. Louis.

(b) Isle of Capri Casino Hotel Lake Charles temporarily closed at the end of August 2020 due to damage from Hurricane Laura and reopened in December 2022 as Horseshoe Lake Charles, the new land-based casino.

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

Certain of our properties operate off-track betting locations, including Harrah's Hoosier Park Racing & Casino, which operates Winner's Circle Indianapolis and Winner's Circle New Haven; and Horseshoe Indianapolis (formerly "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 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, in addition to Corporate and Other.

<i>(In millions)</i>	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Las Vegas:</b>			
Net revenues	\$ 4,287	\$ 3,409	\$ 751
Adjusted EBITDA	1,964	1,568	133
<b>Regional:</b>			
Net revenues	5,704	5,537	2,660
Adjusted EBITDA	1,985	1,979	711
<b>Caesars Digital:</b>			
Net revenues	548	337	95
Adjusted EBITDA	(666)	(476)	26
<b>Managed and Branded:</b>			
Net revenues	282	278	107
Adjusted EBITDA	84	87	25
<b>Corporate and Other:</b>			
Net revenues	—	9	15
Adjusted EBITDA	(124)	(168)	(101)

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

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

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

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

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

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Net loss attributable to Caesars	\$ (899)	\$ (1,019)	\$ (1,757)
Net income (loss) attributable to noncontrolling interests	(11)	3	(1)
Net loss from discontinued operations	386	30	20
(Benefit) provision for income taxes	(41)	(283)	132
Other (income) loss <sup>(a)</sup>	(46)	198	(176)
Loss on extinguishment of debt	85	236	197
Interest expense, net	2,265	2,295	1,202
Depreciation and amortization	1,205	1,126	583
Impairment charges	108	102	215
Transaction costs and other <sup>(b)</sup>	90	220	300
Stock-based compensation expense	101	82	79
Adjusted EBITDA	<u>\$ 3,243</u>	<u>\$ 2,990</u>	<u>\$ 794</u>
Adjusted EBITDA by Segment:			
Las Vegas	\$ 1,964	\$ 1,568	\$ 133
Regional	1,985	1,979	711
Caesars Digital	(666)	(476)	26
Managed and Branded	84	87	25
Corporate and Other	(124)	(168)	(101)

<sup>(a)</sup> Other (income) loss primarily includes the net changes in fair value of (i) investments held by the Company (ii) foreign exchange forward contracts (iii) the disputed claims liability related to Former Caesars' bankruptcy prior to the Merger, and (iv) the derivative liability related to the 5% Convertible Notes, which were fully converted during the year ended December 31, 2021, and the change in the foreign exchange rate associated with restricted cash held in GBP associated with our acquisition of William Hill.

<sup>(b)</sup> Transaction costs and other primarily includes costs related to the William Hill Acquisition, the Merger, various contract or license termination exit costs, professional services for integration activities and non-cash changes in equity method investments partially offset by gains resulting from insurance proceeds received in excess of the respective carrying value of the assets damaged at Lake Charles by Hurricane Laura.

**Capital Expenditures, Net - By Segment**

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Las Vegas	\$ 165	\$ 85	\$ 32
Regional	597	327	104
Caesars Digital	106	67	—
Corporate and Other	84	39	33
Total <sup>(a)</sup>	<u>\$ 952</u>	<u>\$ 518</u>	<u>\$ 169</u>

<sup>(a)</sup> Includes capital expenditures associated with our discontinued operations, where applicable.

**Total Assets - By Segment**

<i>(In millions)</i>	December 31,	
	2022	2021
Las Vegas	\$ 23,547	\$ 22,374
Regional	14,908	14,419
Caesars Digital	1,200	1,878
Managed and Branded <sup>(a)</sup>	140	3,527
Corporate and Other <sup>(b)</sup>	(6,268)	(4,167)
Total	<u>\$ 33,527</u>	<u>\$ 38,031</u>

<sup>(a)</sup> Assets held for sale associated with William Hill International were divested on July 1, 2022.

<sup>(b)</sup> Includes eliminations of transactions among segments, to reconcile to the Company's consolidated results.

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## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. Controls and Procedures**

#### **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 management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) as of December 31, 2022. Based on these evaluations, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures required by Rules 13a-15(e) and 15d-15(e) were effective as of December 31, 2022, at a reasonable assurance level.

#### **Management’s Annual Report on Internal Control over Financial Reporting**

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with US GAAP.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated and assessed the effectiveness of our internal control over financial reporting as of the end of the period covered by this Form 10-K Annual Report based upon the framework set forth in the Internal Control-Integrated Framework issued in 2013 by the Committee of Sponsoring Organization of the Treadway Commission. Based on their evaluation and assessment, they concluded that, as of December 31, 2022, our internal control over financial reporting was effective based on those criteria.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting as of December 31, 2022, which report follows below.

#### **Changes in Internal Control Over Financial Reporting**

As of December 31, 2022, there were no significant changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Caesars Entertainment, Inc.:

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Caesars Entertainment, Inc. and subsidiaries (the “Company”) as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated February 21, 2023, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada  
February 21, 2023

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**Item 9B. Other Information**

Not applicable.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

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## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item is hereby incorporated by reference to our definitive Proxy Statement for our Annual Meeting of Stockholders (our “Proxy Statement”) to be filed with the Securities and Exchange Commission no later than April 30, 2023, pursuant to Regulation 14A under the Securities Act.

We have adopted a code of ethics and business conduct applicable to all directors and employees, including the Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer. The code of business conduct and ethics is posted on our website, <http://www.caesars.com/corporate> (accessible through the “Governance” caption of the Investors page) and a printed copy will be delivered on request by writing to the Corporate Secretary at Caesars Entertainment, Inc., c/o Corporate Secretary, 100 West Liberty Street, 12th Floor, Reno, NV 89501. We intend to satisfy the disclosure requirement regarding certain amendments to, or waivers from, provisions of its code of business conduct and ethics by posting such information on our website.

### **Item 11. Executive Compensation**

The information required by this Item is hereby incorporated by reference to our Proxy Statement, to be filed with the Securities and Exchange Commission no later than April 30, 2023, pursuant to Regulation 14A under the Securities Act.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item is hereby incorporated by reference to our Proxy Statement, to be filed with the Securities and Exchange Commission no later than April 30, 2023, pursuant to Regulation 14A under the Securities Act.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item is hereby incorporated by reference to our Proxy Statement, to be filed with the Securities and Exchange Commission no later than April 30, 2023, pursuant to Regulation 14A under the Securities Act.

### **Item 14. Principal Accounting Fees and Services**

The information about aggregate fees billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) is incorporated herein by reference to our Proxy Statement, to be filed with the Securities and Exchange Commission no later than April 30, 2023, pursuant to Regulation 14A under the Securities Act.

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## PART IV

### Item 15. Exhibits and Financial Statement Schedules

#### (a)(i) Financial Statements

Included in Part II (Item 8) of this Annual Report on Form 10-K:

Reports of Independent Registered Public Accounting Firms

Consolidated Balance Sheets as of December 31, 2022 and 2021

Consolidated Statements of Operations for the Years Ended December 31, 2022, 2021 and 2020

Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2022, 2021 and 2020

Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2022, 2021 and 2020

Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2021 and 2020

Notes to Consolidated Financial Statements

#### (a)(ii) Financial Statement Schedule

Schedule I—Condensed Financial Information of Registrant Parent Company Only as of December 31, 2022 and 2021 and for the Years Ended December 31, 2022, 2021 and 2020

We have omitted schedules other than the ones listed above because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

#### (a)(iii) Exhibits

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<b>Exhibit Number</b>	<b>Description of Exhibit</b>	<b>Method of Filing</b>
2.1	<a href="#">Agreement and Plan of Merger, dated as of June 24, 2019, by and among Caesars Entertainment Corporation, Eldorado Resorts, Inc. and Colt Merger Sub, Inc.</a>	Previously filed on Form 8-K filed on June 25, 2019.
2.2	<a href="#">Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, by and among Caesars Entertainment Corporation, Eldorado Resorts, Inc. and Colt Merger Sub, Inc.</a>	Previously filed on Form 8-K filed on August 16, 2019.
3.1	<a href="#">Composite Certificate of Incorporation of Caesars Entertainment, Inc.</a>	Previously filed on Form 10-Q filed on August 4, 2021.
3.2	<a href="#">Amended and Restated Bylaws of Caesars Entertainment, Inc.</a>	Previously filed on Form 8-K filed on August 1, 2022.
4.1	<a href="#">Description of Capital Stock</a>	Filed herewith.
4.2	<a href="#">Indenture (6.25% CEI Senior Secured Notes due 2025) dated as of July 6, 2020, by and between Colt Merger Sub, Inc. and U.S. Bank National Association, as trustee and collateral agent.</a>	Previously filed on Form 8-K filed on July 7, 2020.
4.3	<a href="#">Supplemental Indenture, dated as of July 20, 2020, to Indenture (6.25% CEI Senior Secured Notes due 2025), dated as of July 6, 2020, by and among Colt Merger Sub, Inc., Eldorado Resorts, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee and collateral agent.</a>	Previously filed on Form 8-K filed on July 21, 2020.
4.4	<a href="#">Supplemental Indenture, dated as of June 4, 2021, to Indenture (6.25% CEI Senior Secured Notes due 2025), dated as of July 6, 2020, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee and collateral agent.</a>	Filed herewith.
4.4	<a href="#">Indenture (8.125% CEI Senior Notes due 2027) dated as of July 6, 2020, by and between Colt Merger Sub, Inc. and U.S. Bank National Association, as trustee.</a>	Previously filed on Form 8-K filed on July 7, 2020.
4.5	<a href="#">Supplemental Indenture, dated as of July 20, 2020, to Indenture (8.125% CEI Senior Notes due 2027), dated as of July 6, 2020, by and among Colt Merger Sub, Inc., Eldorado Resorts, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee.</a>	Previously filed on Form 8-K filed on July 21, 2020.
4.7	<a href="#">Supplemental Indenture, dated as of June 4, 2021, to Indenture (8.125% CEI Senior Notes due 2027), dated as of July 6, 2020, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee.</a>	Filed herewith.
4.6	<a href="#">Indenture (5.75% CRC Secured Notes due 2025) dated as of July 6, 2020, by and between Colt Merger Sub, Inc., U.S. Bank National Association, as trustee, and Credit Suisse AG, Cayman Islands Branch, as collateral agent.</a>	Previously filed on Form 8-K filed on July 7, 2020.
4.7	<a href="#">Supplemental Indenture, dated as of July 20, 2020, to Indenture (5.75% CRC Secured Notes due 2025), dated as of July 6, 2020, by and among Colt Merger Sub, Inc., CRC Finco, Inc., Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, U.S. Bank National Association, as trustee, and Credit Suisse AG, Cayman Islands Branch, as collateral agent.</a>	Previously filed on Form 8-K filed on July 21, 2020.
4.8	<a href="#">Second Supplemental Indenture, dated as of August 6, 2021, to Indenture (5.75% CRC Secured Notes due 2025), dated as of July 6, 2020, by and among Caesars Entertainment, Inc., CRC Finco, Inc., Caesars Resort Collection, LLC and U.S. Bank National Association, as trustee and collateral agent.</a>	Previously filed on Form 8-K filed on August 10, 2021.
4.9	<a href="#">Indenture (4.625% CEI Senior Notes due 2029), dated as of September 24, 2021, by and between Caesars Entertainment, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee.</a>	Previously filed on Form 8-K filed on September 27, 2021.
4.10	<a href="#">First Supplemental Indenture, dated as of October 4, 2022, to Indenture (4.625% CEI Senior Notes due 2029), by and among Caesars Entertainment, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee.</a>	Previously filed on Form 8-K filed on October 5, 2022.
10.1	<a href="#">Second Amendment to Lease (CPLV) (which includes a conformed copy of the Las Vegas Lease through the Second Amendment), dated as of July 20, 2020, by and among CPLV Property Owner LLC, Claudine Propco LLC, Propco TRS LLC, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas, LLC</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.2	<a href="#">Third Amendment to Lease, dated as of September 30, 2020, by and among CPLV Property Owner LLC, Claudine Propco LLC, Propco TRS LLC, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas, LLC.</a>	Previously filed on Form 10-Q filed on November 9, 2020.
10.3	<a href="#">Fourth Amendment to Lease, dated as of November 18, 2020, by and among CPLV Property Owner LLC, Claudine Propco LLC, Propco TRS LLC, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas, LLC.</a>	Previously filed on Form 10-K on March 1, 2021.
10.4	<a href="#">Fifth Amendment to Lease, dated as of September 3, 2021, by and among CPLV Property Owner LLC, Claudine Propco LLC, Propco TRS LLC, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas, LLC.</a>	Previously filed on Form 10-Q on November 5, 2021.

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<b>Exhibit Number</b>	<b>Description of Exhibit</b>	<b>Method of Filing</b>
10.5	<a href="#">Sixth Amendment to Lease, dated as of November 1, 2021, by and among CPLV Property Owner LLC, Claudine Propco LLC, Propco TRS LLC, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas, LLC.</a>	Previously filed on Form 10-K filed on February 24, 2022.
10.6	<a href="#">Guaranty, dated as of July 20, 2020, by and among Eldorado Resorts, Inc., CPLV Property Owner LLC and Claudine Propco LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.7**	<a href="#">Fifth Amendment to Lease (Non-CPLV) (which includes a conformed copy of the Regional Lease through the Fifth Amendment), dated as of July 20, 2020, by and among the entities listed on Schedule A attached thereto, Harrah's Atlantic City LLC, New Laughlin Owner LLC, Harrah's New Orleans LLC, the entities listed on Schedule B attached thereto, Harrah's Atlantic City Operating Company, LLC, Harrah's Laughlin, LLC, Jazz Casino Company, L.L.C. and Propco TRS LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.8**	<a href="#">Sixth Amendment to Lease, dated as of September 30, 2020, by and among the entities listed on Schedules A and B thereto and Propco TRS LLC.</a>	Previously filed on Form 10-Q filed on November 9, 2020.
10.9	<a href="#">Seventh Amendment to Lease, dated as of November 18, 2020, by and among the entities listed on Schedules A and B thereto and Propco TRS LLC.</a>	Previously filed on Form 10-K on March 1, 2021.
10.10	<a href="#">Eighth Amendment to Lease, dated as of September 3, 2021, by and among the entities listed on Schedule A and B thereto and Propco TRS LLC.</a>	Previously filed on Form 10-Q on November 5, 2021.
10.11	<a href="#">Ninth Amendment to Lease, dated as of November 1, 2021, by and among the entities listed on Schedules A and B thereto and Propco TRS LLC.</a>	Previously filed on Form 10-K filed on February 24, 2022.
10.12	<a href="#">Tenth Amendment to Lease (Regional), dated as of December 30, 2021, by and among the entities listed on Schedules A and B thereto and Propco TRS LLC.</a>	Previously filed on Form 10-K filed on February 24, 2022.
10.13	<a href="#">Eleventh Amendment to Lease, dated as of August 25, 2022, by and among the entities listed on Schedules A and B thereto and Propco TRS LLC.</a>	Previously filed on Form 10-Q filed on November 2, 2022.
10.14	<a href="#">Guaranty of Lease, dated as of July 20, 2020, by and among Eldorado Resorts, Inc. and the entities listed on Schedule A thereto (Regional).</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.15**	<a href="#">Second Amendment to Lease (Joliet) (which includes a conformed copy of the Joliet Lease through the Second Amendment), dated as of July 20, 2020, by and among Harrah's Joliet Landco LLC, Des Plaines Development Limited Partnership, CEOC, LLC and Propco TRS LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.16**	<a href="#">Third Amendment to Lease, dated as of September 30, 2020, by and among Harrah's Joliet Landco LLC, Des Plaines Development Limited Partnership, CEOC, LLC and Propco TRS LLC.</a>	Previously filed on Form 10-Q filed on November 9, 2020.
10.17	<a href="#">Fourth Amendment to Lease, dated as of November 18, 2020, by and among Harrah's Joliet Landco LLC, Des Plaines Development Limited Partnership, CEOC, LLC and Propco TRS LLC.</a>	Previously filed on Form 10-K on March 1, 2021.
10.18	<a href="#">Fifth Amendment to Lease, dated as of September 3, 2021, by and among Harrah's Joliet Landco LLC, Des Plaines Development Limited Partnership, CEOC, LLC and Propco TRS LLC.</a>	Previously filed on Form 10-Q on November 5, 2021.
10.19	<a href="#">Sixth Amendment to Lease, dated as of November 1, 2021, by and among Harrah's Joliet Landco LLC, Des Plaines Development Limited Partnership, CEOC, LLC and Propco TRS LLC.</a>	Previously filed on Form 10-K filed on February 24, 2022.
10.20	<a href="#">Guaranty, dated as of July 20, 2020, by and between Eldorado Resorts, Inc. and Harrah's Joliet Landco LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.21*	<a href="#">Right of First Refusal Agreement, dated as of July 20, 2020, by and between Eldorado Resorts, Inc. and VICI Properties L.P. (Las Vegas Strip).</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.22	<a href="#">Right of First Refusal Agreement, dated as of July 20, 2020, by and between Eldorado Resorts, Inc. and VICI Properties L.P. (Horseshoe Baltimore).</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.23	<a href="#">Second Amendment to Golf Course Use Agreement, dated as of July 20, 2020, by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC, Grand Bear LLC, Caesars Enterprise Services, LLC, CEOC, LLC and, solely for purposes of Section 2.1(c) thereof, Caesars License Company, LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.24*	<a href="#">Amended and Restated Put-Call Right Agreement, dated as of July 20, 2020, by and among Claudine Propco, LLC and Eastside Convention Center, LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.25*	<a href="#">Second Amended and Restated Put-Call Right Agreement entered into as of September 18, 2020 by and among Claudine Propco LLC and Caesars Convention Center Owner, LLC.</a>	Previously filed on Form 8-K filed on September 18, 2020.
10.26*	<a href="#">Put-Call Right Agreement entered into as of July 20, 2020 by and between Centaur Propco LLC and Caesars Resort Collection, LLC.</a>	Previously filed on Form 8-K filed on July 21, 2020.

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Exhibit Number	Description of Exhibit	Method of Filing
10.27	<a href="#">First Amendment to Third Amended and Restated Omnibus License and Enterprise Services Agreement, dated as of July 20, 2020, by and among Caesars Enterprise Services, LLC, CEOC, LLC, Caesars Resort Collection, LLC, Caesars License Company, LLC and Caesars World LLC (including as Exhibit A thereto a conformed copy of the Third Amended and Restated Omnibus License and Enterprise Services Agreement, dated as of December 26, 2018, as amended).</a>	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on July 21, 2020.
10.28	<a href="#">Credit Agreement, dated as of July 20, 2020, by and among Eldorado Resorts, Inc., the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as administrative agent, and U.S. Bank National Association, as collateral agent.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.29	<a href="#">Incremental Assumption Agreement No. 1, dated as of July 20, 2020, by and among Eldorado Resorts, Inc., the subsidiary guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.30	<a href="#">First Amendment to Credit Agreement, dated as of November 10, 2021, by and between Caesars Entertainment, Inc. and JPMorgan Chase Bank, N.A., as administrative agent.</a>	Previously filed on Form 8-K filed on November 10, 2021.
10.31	<a href="#">Second Amendment to Credit Agreement, dated as of January 26, 2022, by and between Caesars Entertainment, Inc. and JPMorgan Chase Bank, N.A., as administrative agent.</a>	Previously filed on Form 8-K filed on January 27, 2022.
10.32	<a href="#">Third Amendment to Credit Agreement, dated as of October 5, 2022, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.</a>	Previously filed on Form 8-K filed on October 5, 2022.
10.33*	<a href="#">Incremental Assumption Agreement No. 2, dated as of February 6, 2023, by and among Caesars Entertainment, Inc., the subsidiary guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.</a>	Previously filed on Form 8-K filed on February 6, 2023.
10.34††	<a href="#">Credit Agreement, dated as of December 22, 2017, by and among Caesars Resort Collection, LLC, the other borrowers from time to time party thereto, the lenders party thereto, and Credit Suisse, AG, Cayman Islands Branch, as administrative agent and collateral agent.</a>	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on December 22, 2017.
10.35††	<a href="#">First Amendment to Credit Agreement, dated as of June 15, 2020, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.</a>	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on June 15, 2020.
10.36††	<a href="#">Second Amendment to Credit Agreement, dated as of September 21, 2021, by and among Caesars Resort Collection, LLC, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.</a>	Previously filed on Form 8-K filed on September 27, 2021
10.37††	<a href="#">Incremental Assumption Agreement No. 1, dated as of July 20, 2020, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.38††	<a href="#">Incremental Assumption Agreement No. 2, dated as of July 20, 2020, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, the lender party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.</a>	Previously filed on Form 8-K filed on July 21, 2020.
10.39††	<a href="#">Guarantee Agreement, dated as of August 6, 2021, by Caesars Entertainment, Inc. in favor of U.S. Bank National Agent, as collateral agent.</a>	Previously filed on Form 8-K filed on August 10, 2021.
10.40	<a href="#">Caesars Entertainment Corporation Amended and Restated Escrow Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.</a>	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on October 13, 2017.
10.41	<a href="#">Amended and Restated Casino Operating Contract, dated April 1, 2020, by and between Jazz Casino Company, L.L.C. and the State of Louisiana, by and through the Louisiana Gaming Control Board.</a>	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on April 6, 2020.
10.42	<a href="#">First Amendment to the Amended and Restated Casino Operating Contract, made and entered into as of April 9, 2020, and made effective as of April 1, 2020, by and between Jazz Casino Company, L.L.C. and the State of Louisiana, by and through the Louisiana Gaming Control Board.</a>	Previously filed on Form 8-K/A filed by Caesars Holdings, Inc. on April 14, 2020.
10.43†	<a href="#">Caesars Entertainment Corporation Executive Supplemental Savings Plan III.</a>	Previously filed on Form S-8 filed by Caesars Holdings, Inc. on December 13, 2018.
10.44†	<a href="#">Caesars Entertainment Corporation Outside Director Deferred Compensation Plan.</a>	Previously filed on Form S-8 filed by Caesars Holdings, Inc. on December 13, 2018.
10.45†	<a href="#">Eldorado Resorts, Inc. Amended and Restated 2015 Equity Incentive Plan</a>	Previously filed on Form S-8 POS filed on June 29, 2019.
10.46†	<a href="#">Form of Director Indemnification Agreement.</a>	Previously filed on Form 10-Q filed on November 9, 2020.

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<b>Exhibit Number</b>	<b>Description of Exhibit</b>	<b>Method of Filing</b>
10.47†	<a href="#">Form of Director Non-Deferred Restricted Stock Unit Award Agreement pursuant to the Eldorado Resorts, Inc. 2015 Equity Incentive</a>	Previously filed on Form 10-K filed on February 28, 2020.
10.48†	<a href="#">Form of Restricted Stock Unit Award Agreement pursuant to the Amended &amp; Restated 2015 Equity Incentive Plan.</a>	Previously filed on Form 10-K on March 1, 2021.
10.49†	<a href="#">Form of Restricted Stock Unit Award Agreement Performance-Based (TSR) pursuant to the Amended &amp; Restated 2015 Equity Incentive Plan.</a>	Previously filed on Form 10-K on March 1, 2021.
10.50†	<a href="#">Form of Restricted Stock Unit Time-Based Award Agreement pursuant to the Eldorado Resorts, Inc. 2015 Equity Incentive Plan.</a>	Previously filed on Form 10-K filed on February 28, 2020.
10.51†	<a href="#">Form of Director Restricted Stock Unit Award Agreement pursuant to the Eldorado Resorts, Inc. 2015 Equity Incentive Plan.</a>	Previously filed on Registration Statement Form S-1 filed by Eldorado Resorts, Inc. June 14, 2015.
10.52†	<a href="#">Form of Performance Stock Unit Award Agreement pursuant to the Eldorado Resorts, Inc. 2015 Equity Incentive Plan.</a>	Previously filed on Form 10-K filed on March 1, 2019.
10.53	<a href="#">Registration Rights Agreement, dated as of May 1, 2017, by and among Eldorado Resorts, Inc., Recreational Enterprises, Inc., GFIL Holdings, LLC and certain of its affiliates.</a>	Previously filed on Form 8-K filed on May 1, 2017.
10.54†	<a href="#">Amended and Restated Executive Employment Agreement, dated as of August 10, 2022, by and between Caesars Enterprise Services, LLC and Bret Yunker.</a>	Previously filed on Form 10-Q filed on November 2, 2022.
10.55†	<a href="#">Amended and Restated Executive Employment Agreement, dated as of August 10, 2022, by and between Caesars Enterprise Services, LLC and Gary Carano.</a>	Previously filed on Form 10-Q filed on November 2, 2022.
10.56†	<a href="#">Amended and Restated Executive Employment Agreement, dated as of August 10, 2022, by and between Caesars Enterprise Services, LLC and Thomas Reeg.</a>	Previously filed on Form 10-Q filed on November 2, 2022.
10.57†	<a href="#">Restricted Stock Unit Award Agreement by and between Caesars Entertainment, Inc. and Thomas R. Reeg dated February 25, 2022.</a>	Previously filed on Form 8-K filed on March 1, 2022.
10.58†	<a href="#">Amended and Restated Executive Employment Agreement, dated as of August 10, 2022, by and between Caesars Enterprise Services, LLC and Anthony Carano.</a>	Previously filed on Form 10-Q filed on November 2, 2022.
10.59†	<a href="#">Amended and Restated Executive Employment Agreement, dated as of August 10, 2022, by and between Caesars Enterprise Services, LLC and Edmund L. Quatmann, Jr.</a>	Previously filed on Form 10-Q filed on November 2, 2022.
10.60	<a href="#">Amended and Restated Omnibus Amendment to Leases, dated as of October 27, 2020, by and among the entities listed on Schedule A attached thereto CPLV Property Owner LLC, Claudine Propco LLC, Harrah's Joliet Landco LLC, CEOC, LLC, the entities listed on Schedule B attached thereto, Desert Palace LLC, Harrah's Las Vegas, LLC, Des Plaines Development Limited Partnership and Propco TRS LLC.</a>	Previously filed on Form 10-Q filed on November 9, 2020.
10.61	<a href="#">Second Amended and Restated Master Lease, dated as of December 18, 2020, by and among Tropicana Entertainment, Inc., IOC Black Hawk County, Inc., Isle of Capri Bettendorf, L.C. and GLP Capital L.P.</a>	Previously filed on Form 10-K filed on February 24, 2022.
14	<a href="#">Code of Ethics and Business Conduct</a>	Filed herewith.
21	<a href="#">Subsidiaries of the Registrant</a>	Filed herewith.
23.1	<a href="#">Consent of Deloitte &amp; Touche LLP</a>	Filed herewith.
31.1	<a href="#">Certification of Thomas R. Reeg pursuant to Rule 13a-14a and Rule 15d-14(a).</a>	Filed herewith.
31.2	<a href="#">Certification of Bret Yunker pursuant to Rule 13a-14a and Rule 15d-14(a).</a>	Filed herewith.
32.1	<a href="#">Certification of Thomas R. Reeg in accordance with 18 U.S.C. Section 1350</a>	Filed herewith.
32.2	<a href="#">Certification of Bret Yunker in accordance with 18 U.S.C. Section 1350</a>	Filed herewith.
99.1	<a href="#">Gaming and Regulatory Overview</a>	Filed herewith.
99.2	<a href="#">Financial Information of Caesars Resort Collection, LLC</a>	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.

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Exhibit Number	Description of Exhibit	Method of Filing
101.4	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.5	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.6	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith.

† Denotes a management contract or compensatory plan or arrangement.

†† On February 6, 2023, CRC Credit Agreement, the related amendments/incremental assumption agreements and the guarantee agreement were terminated.

\* Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

\*\* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because such information is (i) not material and (ii) could be competitively harmful if publicly disclosed.

w Annexes, schedules and/or exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K.

## Item 16. Form 10-K Summary

None.

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**CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY**  
**CAESARS ENTERTAINMENT, INC.**  
**CONDENSED BALANCE SHEETS**

<i>(In millions)</i>	As of December 31,	
	2022	2021
<b>ASSETS</b>		
Current assets	\$ 188	\$ 221
Investment in and advances to unconsolidated affiliates	3	60
Investment in subsidiaries	10,465	10,311
Property and equipment, net	4	8
Other assets, net	146	333
Total assets	\$ 10,806	\$ 10,933
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities	\$ 236	\$ 228
Long-term debt	6,826	6,190
Other long-term liabilities	31	35
Total liabilities	7,093	6,453
Total stockholders' equity	3,713	4,480
Total liabilities and stockholders' equity	\$ 10,806	\$ 10,933

See accompanying Notes to Condensed Financial Information.

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**CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY**  
**CAESARS ENTERTAINMENT, INC.**  
**CONDENSED STATEMENTS OF OPERATIONS**

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Net revenues	\$ —	\$ 4	\$ 7
Expenses:			
Corporate expense	4	43	71
Management fee	—	—	(36)
Depreciation and amortization	4	6	6
Transaction and other costs	11	60	113
Total operating expenses	19	109	154
Operating loss	(19)	(105)	(147)
Other expense:			
Interest expense	(428)	(395)	(257)
Loss on interests in subsidiaries	(492)	(437)	(1,346)
Loss on extinguishment of debt	—	(14)	(132)
Other income (loss)	40	(72)	197
Loss from operations before income taxes	(899)	(1,023)	(1,685)
Benefit (provision) for income taxes	—	4	(72)
Net loss	\$ (899)	\$ (1,019)	\$ (1,757)

See accompanying Notes to Condensed Financial Information.

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**CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY**  
**CAESARS ENTERTAINMENT, INC.**  
**CONDENSED STATEMENTS OF CASH FLOWS**

<i>(In millions)</i>	Years Ended December 31,		
	2022	2021	2020
Cash flows used in operating activities	\$ (329)	\$ (448)	\$ (296)
Cash flows from investing activities			
Purchase of property and equipment, net	—	(1)	(8)
Former Caesars acquisition	—	—	(8,470)
William Hill Acquisition	—	(3,938)	—
Proceeds from sale of businesses, property and equipment, net of cash sold	15	—	—
Proceeds from the sale of investments	84	89	24
Cash flows provided by (used in) investing activities	99	(3,850)	(8,454)
Cash flows from financing activities			
Proceeds from long-term debt and revolving credit facilities	750	1,200	9,365
Debt issuance and extinguishment costs	(12)	(17)	(353)
Repayments of long-term debt and revolving credit facilities	(89)	(100)	(3,339)
Net proceeds (repayments) with related parties	(592)	705	1,320
Cash paid to settle convertible notes	—	(367)	(903)
Proceeds from sale-leaseback financing arrangement	—	—	3,219
Taxes paid related to net share settlement of equity awards	(27)	(45)	(16)
Proceeds from issuance of common stock	1	3	2,718
Cash flows provided by financing activities	31	1,379	12,011
Effect of foreign currency exchange rates on cash	—	—	129
Net increase (decrease) in cash, cash equivalents, and restricted cash	(199)	(2,919)	3,390
Cash, cash equivalents, and restricted cash, beginning of period	515	3,434	44
Cash, cash equivalents, and restricted cash, end of period	\$ 316	\$ 515	\$ 3,434
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO AMOUNTS REPORTED WITHIN THE CONDENSED BALANCE SHEETS</b>			
Cash and cash equivalents in current assets	\$ 185	\$ 199	\$ 1,114
Restricted cash in current assets	—	—	1,895
Restricted and escrow cash included in other assets, net	131	316	425
Total cash, cash equivalents and restricted cash	\$ 316	\$ 515	\$ 3,434

See accompanying Notes to Condensed Financial Information.

**CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY**  
**CAESARS ENTERTAINMENT, INC.**  
**NOTES TO CONDENSED FINANCIAL INFORMATION**

**1. Background and basis of presentation**

These condensed parent company financial statements have been prepared in accordance with Rule 12-04, Schedule 1 of Regulation S-X, as the restricted net assets of Caesars Entertainment, Inc. and its subsidiaries exceed 25% of the consolidated net assets of Caesars Entertainment, Inc. and its subsidiaries (the "Company"). This information should be read in conjunction with the Company's consolidated financial statements included elsewhere in this filing.

**2. Restricted net assets of subsidiaries**

Certain of the Company's subsidiaries have restrictions on their ability to pay dividends or make intercompany loans and advances pursuant to financing arrangements and regulatory restrictions. The amount of restricted net assets the Company's consolidated subsidiaries held as of December 31, 2022 was approximately \$3.6 billion. Such restrictions are on net assets of Caesars Entertainment, Inc. and its subsidiaries. The amount of restricted net assets in the Company's unconsolidated subsidiaries was not material to the financial statements.

**3. Commitments, contingencies, and long-term obligations**

For a discussion of the Company's commitments, contingencies, and long-term obligations under its credit facilities, see Note 11 and Note 12 of the Company's consolidated financial statements.

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## DESCRIPTION OF CAPITAL STOCK

We have one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock, par value \$0.00001 per share. The following is a general description of the terms and provisions of our capital stock and related provisions of our certificate of incorporation and our bylaws, each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. The following description is only a summary of the material provisions of our capital stock, certificate of incorporation and bylaws and does not purport to be complete and is subject and qualified in its entirety by reference to the applicable provisions of the Delaware General Corporation Law, or the DGCL, our certificate of incorporation and our bylaws. We encourage you to read our certificate of incorporation, our bylaws and the applicable provisions of the DGCL for additional information.

### **General**

Our authorized capital stock consists of 500,000,000 shares of common stock, par value \$0.00001 per share.

### **Common Stock**

#### *Dividend rights*

We will be permitted to pay dividends if, as and when declared by our board of directors, subject to compliance with limitations imposed by the DGCL. The holders of our common stock are entitled to receive and share equally in these dividends as they may be declared by our board of directors out of funds legally available for such purpose. We do not currently expect to pay dividends on our common stock.

#### *Voting rights*

Our common stock votes as a single class on all matters on which stockholders are entitled to vote, and each share of our common stock is entitled to cast one vote in person or by proxy on such matters. Holders of our common stock do not have the right to cumulate votes in the election of directors. Directors are elected by a plurality of the shares actually voting on the matter at each annual meeting or special meeting called for the purpose of electing such directors at which a quorum is present.

#### *Liquidation rights*

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of our common stock will be entitled to receive, after payment or provision for payment of all our debts and liabilities, all of our assets available for distribution.

#### *Preemptive rights*

Holders of our common stock are not entitled to any preemptive rights to subscribe for additional shares of our common stock, nor are they liable to further capital calls or to assessments by us. Therefore, if we issue additional shares without the opportunity for existing stockholders to purchase more shares, a stockholder's ownership interest in our Company may be subject to dilution.

#### *Other Rights or Preferences*

Our common stock has no sinking fund, redemption provisions, or conversion or exchange rights, other than redemption provisions related to compliance with gaming laws.

### **Preferred Stock**

We are authorized to issue up to 150,000,000 shares of preferred stock, none of which is outstanding. Our board of directors is authorized without further action by holders of our common stock, subject to limitations prescribed by Delaware law and our certificate of incorporation, to issue preferred stock and to determine the terms and conditions

of the preferred stock, including whether the shares of preferred stock will be issued in one or more series, the number of shares to be included in each series and the powers, designations, preferences and rights of the shares. Our board of directors is authorized to designate any qualifications, limitations or restrictions on the shares without any further vote or action by our stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company that some stockholders believe to be in their best interests or in which holders of our common stock might receive a premium over the market price and may adversely affect the voting and other rights of the holders of our common stock, which could have an adverse impact on the market price of our common stock. We have no current plan to issue any shares of preferred stock.

#### **Transfer agent and registrar**

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company.

#### **Limitation of liability and indemnification matters**

We have entered into indemnification agreements with certain of our executive officers and each of our directors pursuant to which we have agreed to indemnify such executive officers and directors against liability incurred by them by reason of their services as an executive officer or director to the fullest extent allowable under applicable law. We also provide liability insurance for each officer and director for losses arising from claims or charges made against them while acting in their capacities as our officer or director.

To the extent that indemnification for liabilities arising under the Securities Act may be permitted to our executive officers and directors pursuant to the foregoing, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

#### **National market listing**

Our common stock is listed on the NASDAQ Stock Market under the symbol "CZR."



SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of June 4, 2021, among AMERICAN WAGERING, INC., AWI GAMING, INC., AWI MANUFACTURING, INC., BRANDYWINE BOOKMAKING LLC, BW SUB CO., COMPUTERIZED BOOKMAKING SYSTEMS, INC., WH NV III, LLC, WHUS TECHCO, INC., WILLIAM HILL DFSB, INC., WILLIAM HILL NEVADA I, WILLIAM HILL NEVADA II, WILLIAM HILL NEW JERSEY, INC. and WILLIAM HILL U.S. HOLDCO, INC. (each, a "New Guarantor"), CAESARS ENTERTAINMENT, INC., a Delaware corporation (the "Issuer"), the other Subsidiary Guarantors (as defined in the Indenture referred to herein), U.S. BANK NATIONAL ASSOCIATION, as trustee (in such capacity, the "Trustee"), and U.S. BANK NATIONAL ASSOCIATION, as collateral agent (in such capacity, the "Collateral Agent").

W I T N E S E T H :

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee and the Collateral Agent an indenture, dated as of July 6, 2020, providing for the issuance of 6.250% Senior Secured Notes due 2025 (the "Notes"), initially in the aggregate principal amount of \$3,400,000,000, as supplemented by that certain supplemental indenture, dated as of July 20, 2020, by and among the Issuer, the guarantors party thereto, the Trustee and the Collateral Agent, pursuant to which the Issuer assumed the Escrow Issuer's obligations under the Notes and the Indenture, and the guarantors became party thereto (as further amended, supplemented or otherwise modified, the "Indenture");

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

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

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

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term "holders" in this Supplemental Indenture shall refer to the term "holders" as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with all existing guarantors (if any), to unconditionally guarantee the Issuer's Obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article XIII of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a guarantor under the Indenture. From and after the date hereof, all references in the Indenture to the "Guarantors" and the "Subsidiary Guarantors" shall include the New Guarantors.

3. Notices. All notices or other communications to each New Guarantor shall be given as provided in Section 14.02 of the Indenture.

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

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

6. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

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

8. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

9. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The words "execution," "execute," "signed," "signature," and words of like import in or related to this Supplemental Indenture and any document to be signed in connection with this Supplemental Indenture and the transactions contemplated hereby (including without limitation supplements, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Trustee, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that (x) notwithstanding anything contained herein to the contrary the Trustee is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Trustee pursuant to procedures approved by it and (y) each party hereto shall use commercially reasonable efforts to promptly provide manually executed counterparts of its electronic signatures if reasonably requested by any other party hereto. Without limiting the generality of the foregoing, each New Guarantor hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Trustee, the Collateral Agent, the Issuer and the Subsidiary Guarantors, electronic images of this Supplemental Indenture (including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of this Supplemental Indenture based solely on the lack of paper original copies of this Supplemental Indenture, including with respect to any signature pages thereto. The Issuer and the Subsidiary Guarantors assume all risks arising out of the use of digital signatures and electronic methods to submit communications, including without limitation the risk of a Person acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

[Signature Pages Follow]

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

CAESARS ENTERTAINMENT, INC.,  
as Issuer

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

AZTAR INDIANA GAMING COMPANY, LLC  
AZTAR RIVERBOAT HOLDING COMPANY, LLC  
BLACK HAWK HOLDINGS, L.L.C.  
CAESARS DUBAI, LLC  
CAESARS GROWTH PARTNERS, LLC  
CAESARS HOLDINGS, INC.  
CAESARS HOSPITALITY, LLC  
CAESARS INTERNATIONAL HOSPITALITY, LLC  
CAESARS PARLAY HOLDING, LLC  
CATFISH QUEEN PARTNERSHIP IN COMMENDAM  
CCR NEWCO, LLC  
CC-RENO LLC  
CCSC/BLACKHAWK, INC.  
CENTROPLEX CENTRE CONVENTION HOTEL, L.L.C.  
CIE GROWTH, LLC  
CIRCUS AND ELDORADO JOINT VENTURE, LLC  
CRS ANNEX, LLC  
EASTSIDE CONVENTION CENTER, LLC  
ELDO FIT, LLC  
ELDORADO HOLDCO LLC  
ELDORADO LIMITED LIABILITY COMPANY  
ELDORADO RESORTS LLC  
ELDORADO SHREVEPORT #1, LLC  
ELDORADO SHREVEPORT #2, LLC  
ELGIN HOLDINGS I LLC  
ELGIN HOLDINGS II LLC  
ELGIN RIVERBOAT RESORT-RIVERBOAT CASINO,  
GB INVESTOR, L.L.C.  
IC HOLDINGS COLORADO, INC.  
IOC - BLACK HAWK DISTRIBUTION COMPANY, LLC  
IOC - BOONVILLE, INC.  
IOC - LULA, INC.  
IOC BLACK HAWK COUNTY, INC.  
IOC HOLDINGS, L.L.C.  
IOC-VICKSBURG, INC.  
IOC-VICKSBURG, L.L.C.  
ISLE OF CAPRI BETTENDORF, L.C.  
ISLE OF CAPRI BLACK HAWK, L.L.C.  
ISLE OF CAPRI CASINOS LLC  
as Subsidiary Guarantors

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

LIGHTHOUSE POINT, LLC  
MTR GAMING GROUP, INC.  
NEW JAZZ ENTERPRISES, L.L.C.  
NEW TROPICANA HOLDINGS, INC.  
NEW TROPICANA OPCO, INC.  
OLD PID, INC.  
POMPANO PARK HOLDINGS, L.L.C.  
PPI DEVELOPMENT HOLDINGS LLC  
PPI DEVELOPMENT LLC  
PPI, INC.  
ROMULUS RISK AND INSURANCE COMPANY, INC.  
SCIOTO DOWNS, INC.  
ST. CHARLES GAMING COMPANY, L.L.C.  
TEI (ES), LLC  
TEI (ST. LOUIS RE), LLC  
TEI (STLH), LLC  
TEI R7 INVESTMENT LLC  
TROPICANA ATLANTIC CITY CORP.  
TROPICANA ENTERTAINMENT INC.  
TROPICANA LAUGHLIN, LLC  
TROPICANA ST. LOUIS LLC  
TROPWORLD GAMES LLC  
VEGAS DEVELOPMENT LAND OWNER LLC,  
as Subsidiary Guarantors

By: \_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC,  
as a Subsidiary Guarantor

William Hill U.S. HoldCo, Inc., as its sole member

By: \_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

AMERICAN WAGERING, INC.  
AWI GAMING, INC.  
AWI MANUFACTURING, INC.  
BRANDYWINE BOOKMAKING LLC  
BW SUB CO.  
COMPUTERIZED BOOKMAKING SYSTEMS, INC.  
WH NV III, LLC  
WHUS TECHCO, INC.  
WILLIAM HILL DFSB, INC.  
WILLIAM HILL NEVADA I  
WILLIAM HILL NEVADA II  
WILLIAM HILL NEW JERSEY, INC.  
WILLIAM HILL U.S. HOLDCO, INC.,  
as New Guarantors

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_  
Name:  
Title:

U.S. BANK NATIONAL ASSOCIATION,  
as Collateral Agent

By: \_\_\_  
Name:  
Title:

[Signature Page to Supplemental Indenture]

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of June 4, 2021, among AMERICAN WAGERING, INC., AWI GAMING, INC., AWI MANUFACTURING, INC., BRANDYWINE BOOKMAKING LLC, BW SUB CO., COMPUTERIZED BOOKMAKING SYSTEMS, INC., WH NV III, LLC, WHUS TECHCO, INC., WILLIAM HILL DFSB, INC., WILLIAM HILL NEVADA I, WILLIAM HILL NEVADA II, WILLIAM HILL NEW JERSEY, INC. and WILLIAM HILL U.S. HOLDCO, INC. (each, a "New Guarantor"), CAESARS ENTERTAINMENT, INC., a Delaware corporation (the "Issuer"), the other Subsidiary Guarantors (as defined in the Indenture referred to herein), and U.S. BANK NATIONAL ASSOCIATION, as trustee (in such capacity, the "Trustee").

W I T N E S E T H :

WHEREAS, the Issuer has heretofore executed and delivered to the Trustee an indenture, dated as of July 6, 2020, providing for the issuance of 8.125% Senior Notes due 2027 (the "Notes"), initially in the aggregate principal amount of \$1,800,000,000, as supplemented by that certain supplemental indenture, dated as of July 20, 2020, by and among the Issuer, the Subsidiary Guarantors party thereto, and the Trustee, pursuant to which the Issuer assumed the Escrow Issuer's obligations under the Notes and the Indenture, and the guarantors became party thereto (as further amended, supplemented or otherwise modified, the "Indenture");

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

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee, the Issuer and the Subsidiary Guarantors, if any, are authorized to execute and deliver this Supplemental Indenture.

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

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term "holders" in this Supplemental Indenture shall refer to the term "holders" as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. Each New Guarantor hereby agrees, jointly and severally with all existing guarantors (if any), to unconditionally guarantee the Issuer's Obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article XII of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a guarantor under the Indenture. From and after the date hereof, all references in the Indenture to the "Subsidiary Guarantors" shall include the New Guarantors.

3. Notices. All notices or other communications to each New Guarantor shall be given as provided in Section 13.02 of the Indenture.

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

5. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall



form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

6. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

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

8. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

9. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The words "execution," "execute", "signed," "signature," and words of like import in or related to this Supplemental Indenture and any document to be signed in connection with this Supplemental Indenture and the transactions contemplated hereby (including without limitation supplements, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Trustee, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that (x) notwithstanding anything contained herein to the contrary the Trustee is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Trustee pursuant to procedures approved by it and (y) each party hereto shall use commercially reasonable efforts to promptly provide manually executed counterparts of its electronic signatures if reasonably requested by any other party hereto. Without limiting the generality of the foregoing, each New Guarantor hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Trustee, the Issuer and the Subsidiary Guarantors, electronic images of this Supplemental Indenture (including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of this Supplemental Indenture based solely on the lack of paper original copies of this Supplemental Indenture, including with respect to any signature pages thereto. The Issuer and the Subsidiary Guarantors assume all risks arising out of the use of digital signatures and electronic methods to submit communications, including without limitation the risk of a Person acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

[Signature Pages Follow]

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

CAESARS ENTERTAINMENT, INC.,  
as Issuer

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

AZTAR INDIANA GAMING COMPANY, LLC  
AZTAR RIVERBOAT HOLDING COMPANY, LLC  
BLACK HAWK HOLDINGS, L.L.C.  
CAESARS DUBAI, LLC  
CAESARS GROWTH PARTNERS, LLC  
CAESARS HOLDINGS, INC.  
CAESARS HOSPITALITY, LLC  
CAESARS INTERNATIONAL HOSPITALITY, LLC  
CAESARS PARLAY HOLDING, LLC  
CATFISH QUEEN PARTNERSHIP IN COMMENDAM  
CCR NEWCO, LLC  
CC-RENO LLC  
CCSC/BLACKHAWK, INC.  
CENTROPLEX CENTRE CONVENTION HOTEL, L.L.C.  
CIE GROWTH, LLC  
CIRCUS AND ELDORADO JOINT VENTURE, LLC  
CRS ANNEX, LLC  
EASTSIDE CONVENTION CENTER, LLC  
ELDO FIT, LLC  
ELDORADO HOLDCO LLC  
ELDORADO LIMITED LIABILITY COMPANY  
ELDORADO RESORTS LLC  
ELDORADO SHREVEPORT #1, LLC  
ELDORADO SHREVEPORT #2, LLC  
ELGIN HOLDINGS I LLC  
ELGIN HOLDINGS II LLC  
ELGIN RIVERBOAT RESORT-RIVERBOAT CASINO,  
GB INVESTOR, L.L.C.  
IC HOLDINGS COLORADO, INC.  
IOC - BLACK HAWK DISTRIBUTION COMPANY, LLC  
IOC - BOONVILLE, INC.  
IOC - LULA, INC.  
IOC BLACK HAWK COUNTY, INC.  
IOC HOLDINGS, L.L.C.  
IOC-VICKSBURG, INC.  
IOC-VICKSBURG, L.L.C.  
ISLE OF CAPRI BETTENDORF, L.C.  
ISLE OF CAPRI BLACK HAWK, L.L.C.  
ISLE OF CAPRI CASINOS LLC  
as Subsidiary Guarantors

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

LIGHTHOUSE POINT, LLC  
MTR GAMING GROUP, INC.  
NEW JAZZ ENTERPRISES, L.L.C.  
NEW TROPICANA HOLDINGS, INC.  
NEW TROPICANA OPCO, INC.  
OLD PID, INC.  
POMPANO PARK HOLDINGS, L.L.C.  
PPI DEVELOPMENT HOLDINGS LLC  
PPI DEVELOPMENT LLC  
PPI, INC.  
ROMULUS RISK AND INSURANCE COMPANY, INC.  
SCIOTO DOWNS, INC.  
ST. CHARLES GAMING COMPANY, L.L.C.  
TEI (ES), LLC  
TEI (ST. LOUIS RE), LLC  
TEI (STLH), LLC  
TEI R7 INVESTMENT LLC  
TROPICANA ATLANTIC CITY CORP.  
TROPICANA ENTERTAINMENT INC.  
TROPICANA LAUGHLIN, LLC  
TROPICANA ST. LOUIS LLC  
TROPWORLD GAMES LLC  
VEGAS DEVELOPMENT LAND OWNER LLC,  
as Subsidiary Guarantors

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC,  
as a Subsidiary Guarantor

William Hill U.S. HoldCo, Inc., as its sole member

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

AMERICAN WAGERING, INC.  
AWI GAMING, INC.  
AWI MANUFACTURING, INC.  
BRANDYWINE BOOKMAKING LLC  
BW SUB CO.  
COMPUTERIZED BOOKMAKING SYSTEMS, INC.  
WH NV III, LLC  
WHUS TECHCO, INC.  
WILLIAM HILL DFSB, INC.  
WILLIAM HILL NEVADA I  
WILLIAM HILL NEVADA II  
WILLIAM HILL NEW JERSEY, INC.  
WILLIAM HILL U.S. HOLDCO, INC.,  
as New Guarantors

By: \_\_\_  
Name: Edmund L. Quatmann, Jr.  
Title: Secretary

[Signature Page to Supplemental Indenture]

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_  
Name:  
Title:

[Signature Page to Supplemental Indenture]

## Caesars Entertainment, Inc.

### Code of Ethics and Business Conduct

This Code of Ethics and Business Conduct, which includes our Conflicts of Interest Policy attached as Exhibit A hereto (collectively, the “Code”), embodies the commitment of Caesars Entertainment, Inc. and its subsidiaries (the “Company”) to conduct business in accordance with all applicable laws, rules and regulations, and ethical standards. All employees, officers, and members of the Caesars Entertainment, Inc. Board of Directors (the “Board”) are expected to adhere to those principals and procedures set forth in the Code that apply to them.

We also expect the consultants that we retain generally to abide by the Code.

The Code includes standards that are designed to deter wrongdoing and to promote:

- (1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by the Company;
- (3) Compliance with applicable governmental laws, rules and regulations;
- (4) The prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- (5) Accountability for adherence to the Code.

#### Section I

##### A. Implementation and Oversight of The Code

The Board is ultimately responsible for the implementation of the Code. The Board has designated the Company’s Chief Legal Officer to be the compliance officer (such person, or such other person as the Board may subsequently designate as the compliance officer, the “Compliance Officer”) for the implementation and administration of the Code, provided, however, that notwithstanding any provision to the contrary in this Code, any matter submitted to the Audit Committee of the Board pursuant to the Company’s Whistleblower Hotline Policy and Procedures shall not be reviewed or otherwise administered by the Compliance Officer unless so directed by the Audit Committee.

Questions regarding the application or interpretation of the Code are inevitable. Directors, officers, employees and consultants of the Company should direct all questions to the Compliance Officer.

The Code, and all amendments of the Code, will be included in the Company's periodic filings with the SEC and will be available on the Company's website.

Statements in the Code to the effect that certain actions may be taken only with the "Company's approval" mean that the Compliance Officer must give prior written approval before the proposed action may be undertaken. The Compliance Officer will act in a manner that is consistent with the requirements and spirit of the Code.

The Code should be read in conjunction with the Company's other policy statements, including, without limitation, the Company's Whistleblower Hotline Policy and Procedures, Conflicts of Interest Policy, Company's Securities Trading Policy and Gaming Compliance Policy.

Periodic training may be provided regarding the contents and importance of the Code and related policy statements and the manner in which violations must be reported and waivers must be requested.

## **B. Honest and Ethical Conduct**

One person's dishonest or unethical conduct can harm the Company's reputation and compromise the trust that the public and our shareholders have in the Company. For that reason, each director, officer, employee and consultant must be familiar with and comply with the Code. Compliance with the Code - and therefore all laws and regulations - forms the foundation of honest and ethical conduct. Accordingly, compliance with the Code is not simply expected; it is mandatory. In addition, the Company expects that directors, officers, employees and consultants of the Company will:

- o Establish an example by their behavior as a model for others subject to the Code.
- o Sustain a culture where honest and ethical conduct is recognized, valued and exemplified by all directors, officers, employees, consultants and other representatives of the Company.
- o Personally participate in, and where applicable, lead compliance efforts through meetings with others subject to the Code and monitor compliance matters and programs.
- o Raise and encourage others to raise concerns and questions about ethical conduct and integrity.

The Company will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of the Code brought to its attention. The Company's Conflicts of Interest Policy, which is attached to the Code as Exhibit A, is an integral part of the Code and all Company directors, officers, employees and consultants should conduct themselves in accordance with its requirements and spirit.

A personal conflict of interest occurs when an individual's private interest improperly interferes with the interests of the Company. Personal conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Company. In particular, a



director, officer, employee, or consultant must never use his or her position with the Company to obtain any improper personal benefit for himself or herself, for his or her family members, or for any other person, including loans or guarantees of obligations, from any person or entity, provided, however, that the Code is not intended to prohibit doing business with vendors, service providers, licensed lenders and the like who do business with the Company, so long as one does not exploit his or her position with the Company to obtain preferential treatment and so long as any such actions are not in violation of any applicable law or regulation (including, without limitation, SEC and Nasdaq rules).

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest, unless properly waived by the Company, must be avoided.

Any director, officer, employee or consultant who is aware of a transaction or relationship that could reasonably be expected to give rise to a conflict of interest should disclose and discuss the matter fully and promptly with the Compliance Officer, provided however, that alternatively, any complaint may be reported anonymously as provided by the Company's Whistleblower Policy and Procedures referenced herein.

### **C. Full, Fair, Accurate, Timely and Understandable Public Disclosure**

It is the Company's policy that the information in its public communications, including SEC filings, be full, fair, accurate, timely, and understandable. All directors, officers, employees and consultants who are involved in the Company's disclosure process are responsible for acting in furtherance of this policy. In particular, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. Our disclosures should comply with the letter and the spirit of applicable law.

All directors, officers, employees and consultants must follow these guidelines:

- o Act honestly, ethically and with integrity.
- o Comply with the Code.
- o Endeavor to ensure full, fair, timely, accurate and understandable disclosure in the Company's filings with the SEC.
- o Through communication, make sure that others at the Company understand the Company's obligations to the public and under the law with respect to its disclosures, including that results are never more important than compliance with the law.
- o Encourage others at the Company to raise questions and concerns regarding the Company's public disclosures and ensure that such questions and concerns are appropriately addressed.

- o Provide the Company's directors, officers, employees, consultants and advisors involved in the preparation of the Company's disclosures to the public with information that is accurate, complete, objective, relevant, timely and understandable.
- o Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing such person's independent judgment to be subordinated by others.
- o Proactively promote honest and ethical behavior among peers in the work environment.
- o Achieve proper and responsible use of and control over Company assets and resources.
- o Record or participate in the recording of entries in the Company's books and records that are accurate.
- o Comply with the Company's disclosure controls and procedures, internal controls and procedures for financial reporting and other policy statements.

**D. Compliance with Laws, Rules, and Regulations**

It is the Company's policy to comply with all applicable laws, rules, and regulations. Some laws carry criminal penalties. It is the personal responsibility of each director, officer, employee and consultant to adhere to the standards and restrictions imposed by those laws, rules, and regulations. The Company expects each director, officer, employee and consultant to refrain from any illegal, dishonest, or unethical conduct.

Generally, it is both illegal and against Company policy for any director, officer, employee and consultant who is aware of material nonpublic information relating to the Company, any of the Company's customers or any other private or governmental issuer of securities to buy or sell any securities of those issuers, or recommend that another buy, sell or hold the securities of those issuers. It is the Company's policy for all directors, officers, employees and consultants to comply with the Company's Securities Trading Policy. Any director, officer, employee or consultant with questions regarding these types of transactions should contact the Compliance Officer.

**E. Duty to Report and Raise Questions and Concerns; Internal Reporting Procedure**

Each director, officer, employee, and consultant must report promptly to the Compliance Officer, as well as the Director of Compliance of any involved Property, the existence (or good faith suspected existence) of any of the following:

- Any outside association, interest, relationship or activity, as it arises, that actually, potentially or apparently involves a conflict of interest violation (or suspected violation) of the Code;
- any action or inaction that does not comply with gaming laws or regulations in any jurisdiction in which the Company does business;

- any action or inaction that does not comply with any condition or limitation placed on any license or approval granted by any Gaming Authority to the Company or any of its gaming operations;
- any other event or circumstance which the employee, officer, director or consultant believes, in good faith, could impact the Company's suitability for licensure, or may bring discredit to the Company or the gaming industry; and
- any violation of the Code.

Failure to report such relationships, activities, interests, non-compliance with gaming laws or regulations or violations of the Code will be a ground for disciplinary action.

In addition to the foregoing obligation to report to the Compliance Officer, employees who serve as Directors of Compliance shall also report such relationships, activities, interests, non-compliance with gaming laws or regulations or violations of the Code to the General Manager of the involved Property (unless the General Manager is the subject of, or otherwise involved in, such actual or potential violation). If, after consultation with the Compliance Officer and the General Manager, the Director of Compliance still maintains a good faith belief that the actual or potential violation has not been adequately addressed, he or she shall report such matter directly to the Company's Compliance Committee.

Subject to the provisions of the Code, the Compliance Officer will review disclosures of any actual, potential or apparent violation of the Code with at least one member of the Company's Audit Committee and , if applicable, at least one member of the Company's Compliance Committee, to determine the appropriate manner by which the Company's approval or disapproval would be provided. Each director, officer, employee, and consultant must cooperate fully in the review process by providing all information that the Compliance Officer deems necessary to conduct an effective review. Company actions with respect to the conflict of interest or potential conflict of interest will take into account the spirit of the Code.

Upon becoming employed by or associated with the Company each director, officer, employee, and consultant must sign a statement reflecting awareness and understanding of the Code, including the Conflicts of Interest Policy ("Ethics Statement"). At the same time, each director, officer, employee and consultant must report either the absence or presence of actual, potential or apparent conflicts of interest. The Company may from time to time request that any such person affirm his or her awareness of the Code and Conflicts of Interest Policy by delivering an updated Ethics Statement. A form of Ethics Statement is attached as Exhibit B hereto.

All interests, relationships or participation in transactions disclosed by any director, officer, employee or consultant in accordance with this policy shall be held in confidence unless the best interests of the Company dictate otherwise.

The Company recognizes the potentially serious impact of a false accusation. Employees, officers, directors and consultants are expected as part of the ethical standards required by this Code to act responsibly in reporting violations. Making a complaint without a

good-faith basis is itself a violation of the Code. Any employee, officer, director or consultant who makes a complaint in bad faith will be subject to disciplinary action, up to and including separation of employment.

Employees, officers, directors and consultants who report violations or suspected violations in good faith, as well as those who participate in investigations, will not be subject to retaliation of any kind.

Retaliation, which will be broadly construed, is generally defined as the use of authority or influence for the purpose of interfering with, or discouraging a report of, a violation of the Code or an investigation of an alleged Code violation. The Company will not permit retaliation where a report of an actual or potential violation was made in good faith.

If you believe someone has retaliated against you because of your good faith report of an actual or suspected violation, you should immediately advise Human Resources as well as the Compliance Officer, and the Director of Compliance of the involved Property.

#### **F. Accountability**

All who are subject to the Code are responsible for complying with it and for reporting any known or suspected violations of it. The Company recognizes that such a mandate may not be meaningful without an accompanying provision for accountability and discipline of violations of the Code.

Subject to the terms of the Code, reported violations of the Code will be investigated, addressed promptly and treated confidentially to the extent possible. The Company will strive to impose discipline for each Code violation that fits the nature and particular facts of the violation. The Company uses a system of progressive discipline and generally will issue warnings or letters of reprimand for less significant, first-time violations. Violations of a more serious nature may result in termination of employment or suspension without pay, demotion, loss or reduction of bonus or option awards, or any combination of such disciplinary measures.

Violations of the Code that go unaddressed are treated by the SEC as implicit waivers of the Code. Accordingly, any violation that is discovered and not addressed will have to be disclosed in accordance with the rules and regulations of the SEC or applicable listing standards. In such cases, the SEC's rules will require disclosure of the nature of any violation, the date of the violation and the name of the person who committed the violation. Such disclosure would be harmful to the Company and the individuals involved in the violation.

Subject to the provisions of the Code and the Company's Whistleblower Policy and Procedures, all investigations of reported violations of the Code will be supervised by the Compliance Officer. A violation shall be deemed to have occurred and appropriate consequences shall be determined only by the Board of Directors, any of its committees, or such other person designated by the Board to act on its behalf.

## **G. Protected Disclosures**

Nothing in this Code or any agreement between you and the Company:

- will preclude, prohibit or restrict you from (i) communicating with, any federal, state or local administrative or regulatory agency or authority, including but not limited to the Securities and Exchange Commission (the “SEC”); (ii) participating or cooperating in any investigation conducted by any governmental agency or authority; or (iii) filing a charge of discrimination with the United States Equal Employment Opportunity Commission or any other federal state or local administrative agency or regulatory authority.
- prohibits, or is intended in any manner to prohibit, you from (i) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the U.S. Congress, and any governmental agency Inspector General, or (ii) making other disclosures that are protected under whistleblower provisions of federal law or regulation. Nothing in this Code or any agreement between you and the Company is intended to limit your right to receive an award (including, without limitation, a monetary reward) for information provided to the SEC. You do not need the prior authorization of anyone at the Company to make any such reports or disclosures, and you are not required to notify the Company that you have made such reports or disclosures.
- is intended to interfere with or restrain the immunity provided under 18 U.S.C. §1833(b). You cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) (A) in confidence to federal, state or local government officials, directly or indirectly, or to an attorney, and (B) for the purpose of reporting or investigating a suspected violation of law; (ii) in a complaint or other document filed in a lawsuit or other proceeding, if filed under seal; or (iii) in connection with a lawsuit alleging retaliation for reporting a suspected violation of law, if filed under seal and does not disclose the trade secret, except pursuant to a court order.

The foregoing provisions regarding protected disclosures are intended to comply with all applicable laws. If any laws are adopted, amended or repealed after the date hereof, this Code shall be deemed to be amended to reflect the same.

## **Section II**

### **A. Corporate Opportunities**

Directors, officers and employees owe a duty to the Company to advance the Company’s legitimate business interests when the opportunity to do so arises. Directors, officers and employees are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information, or position unless previously approved by the Board. More generally, directors, officers, employees and

consultants are prohibited from using corporate property, information, or position for personal gain or competing with the Company.

Sometimes the line between personal and Company benefits may be difficult to discern. The only prudent course of conduct for our directors, officers, employees and consultants is to make sure that any use of Company property or services that is not solely for the benefit of the Company is approved beforehand through the Compliance Officer.

## **B. Confidentiality**

In carrying out the Company's business, directors, officers, employees and consultants often learn confidential or proprietary information about the Company, its customers, or other third parties. Directors, officers, employees and consultants must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Company, including its business relationships, financial performance, results or prospects, personnel information, guest information, compensation data, computer processes, customer lists, marketing strategies, pending projects or proposals, and any non-public information provided by a third party with the expectation that the information be kept confidential and used solely for the business purpose for which it was conveyed. Directors, officers, employees and consultants should refer to the Company's Legal Department for more detailed guidance on this topic.

## **C. Fair Dealing**

The successful business operation and reputation of the Company are built upon the principals of fair dealing and ethical conduct. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations as well as a scrupulous regard for standards of conduct and personal integrity consistent with this Code. We do not seek competitive advantages through illegal or unethical business practices. Each director, officer, employee and consultant should endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors, and other employees. No director, officer, employee or consultant should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

## **D. Equal Employment Opportunity and Harassment**

Our focus in personnel decisions is on merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves. The Company affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstances. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment.

**E. Protection and Proper Use of Company Assets**

All employees, officers, directors, and consultants should protect the Company's assets and ensure their efficient use. All Company assets should be used for legitimate business purposes only.

**F. Outside Activities/Employment**

Non-salaried employees may hold a job with another employer so long as he or she notifies the Company and satisfactorily performs his or her job responsibilities with the Company. All employees will be judged by the same performance standards and will be subject to the Company's scheduling demands, regardless of any existing outside work requirements.

If the Company determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Company as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain employed by the Company.

Any outside association, including employment and activities with other entities, should not encroach on the time and attention any director, officer or employee is expected to devote to his or her Company duties and responsibilities, adversely affect the quality or quantity of his or her work product or entail his or her use of any Company assets, including its real and personal property, or imply (without the Company's approval) the Company's sponsorship or support. In addition, under no circumstances is any director, officer or employee permitted to compete with the Company.

**Section III**

**Waivers and Amendments of The Code**

From time to time, the Board may amend the Code or waive certain provisions of the Code. Any such amendment shall be disclosed in the manner and within the time required by applicable laws, regulations, rules and listing standards. Any requests for a waiver of any provision of the Code must be submitted in writing to the Compliance Officer for review. If a waiver of any provision of the Code is granted, the Company must publicly disclose the nature of the granted waiver, including any implicit waiver, the name of the person requesting the waiver, the date of the waiver and any other disclosures as and to the extent required by any rule of the SEC or applicable listing standard. Waivers of any provision of the Code may be made only by the Board.

**Section IV**

**Anonymous Reporting of Violations**

Any violation of the Code and any violation by the Company or its directors, officers, employees or consultants of the securities laws, rules or regulations or other laws, rules or regulations applicable to the Company may be reported anonymously using any one of the methods described in the Company's Whistleblower Hotline Policy and Procedures, including,

without limitation, the making of a phone call to a whistleblower hotline at 800-418-6482, extension 687. All such calls shall be subject to the Company's Whistleblower Hotline Policy and Procedures. A copy of the Company's Whistleblower Hotline Policy and Procedures is available on the Company's website, in employee break rooms and on employee bulletin boards.

## **Section V**

### **Certain Relationships and Related Transactions**

Any proposed transaction between the Company and a related party, or in which a related party would have a direct or indirect material interest, must be promptly disclosed to the Compliance Officer, the Company's Audit Committee, and the Company's Compliance Committee, and must be approved by the Company's Audit Committee. Any director having an interest in the transaction is not permitted to vote on such transaction.

The Audit Committee will determine whether or not to approve such transaction on a case by case basis and in accordance with the provisions of the Audit Committee Charter and the Code.

A "related party" is any of the following:

- an executive officer of the Company;
- a director (or director nominee) of the Company;
- an immediate family member of any executive officer or director (or director nominee);
- a beneficial owner of five percent or more of any class of the Company's voting securities;
- an entity in which one of the above described persons has a substantial ownership interest or control of such entity; or
- any other person or entity that would be deemed to be a related person under Item 404 of SEC Regulation S-K or applicable Nasdaq rules and regulations.

*Originally Adopted by Board of Directors on October 31, 2019; Revised October 27, 2022*



## EXHIBIT A

### CAESARS ENTERTAINMENT, INC. CONFLICTS OF INTEREST POLICY

#### I. GENERAL STATEMENT OF POLICY

It is the policy of Caesars Entertainment, Inc. and its subsidiaries (the “Company”) that directors, officers and employees (“covered persons”) at all levels be free from any interest, influence or relationship that might conflict, or appear to conflict, with the best interests of the Company, and that they perform their work with undivided loyalty as measured by the highest standards of law and ethics. The existence of an actual or potential conflict of interest depends on specific facts. The principles discussed here are intended to alert covered persons to the possibilities and furnish general guidance. In any uncertain situation, the covered persons should immediately discuss the matter fully and frankly with his/her supervisor. Where there is any doubt as to the existence of a conflict of interest, the situation should be disclosed fully, in writing, to the Compliance Officer (as defined in the Code of Ethics and Business Conduct).

#### II. SCOPE OF COVERAGE

This policy applies to both direct and indirect interests of a covered person and members of his or her immediate family. It extends to transactions by any person who may act on behalf of such covered person or family members in connection with such interests. In general, a covered person will be regarded as having a beneficial interest in any property owned or any transactions entered into by such covered person’s spouse or minor children.

Further, this policy is applicable to all parts of the Company including all domestic and foreign subsidiaries and affiliated companies.

##### A. Common Conflict of Interest Situations

The following sections describe a number of common categories of conflicts of interest. They illustrate the application of Company policy to certain particular situations where conflicts are most likely to arise. They are not all-inclusive, however, and do not cover all possible situations where conflicts might occur in violation of Company policy:

##### B. Relationships with Vendors, Purchasers and Competitors of the Company

Any covered person who holds any position or employment with, or who receives any compensation, credits or loans from, or who owns or acquires, directly or indirectly, a beneficial interest in, or rights to the profits of income of, any concern he or she has reason to believe may supply products or services to, or purchase from, or compete with, the Company, is required to disclose the full details concerning such interest or relationship. In such circumstances, a conflict may arise if such covered person is in a position to influence decisions with respect to any Company transaction involving such other party and if the interest or relationship is such that it might bring into question such covered person’s continued ability to make independent, impartial judgments in the Company’s best interest. In this connection, the mere ownership of

securities of a vendor, purchaser or competitor which are listed on a stock exchange or publicly traded in a recognized over-the-counter market and amounting to less than one percent of the class outstanding, need not be reported.

### **C. Gifts or Favors**

A covered person may not solicit money, entertainment, hospitality, gifts or favors, including the below market purchases of goods or services (collectively, “gifts”), from any individual or concern which a covered person has reason to believe may transact business, or may seek to transact business, with the Company.

Covered persons in one of the Company’s purchasing departments, or covered persons whose primary responsibility is to purchase supplies or services on behalf of the Company, may not accept gifts from any individual or concern which a covered person has reason to believe may transact business, or may seek to transact business, with the Company.

Other covered persons may accept gifts provided that:

- (i) the value of such gift (and the collective value of all such gifts from the same individual or concern in the same calendar year) is trivial and inconsequential (generally \$500 or less); or
- (ii) gifts involving entertainment or hospitality are not excessive or lavish under the circumstances as determined by the Compliance Officer<sup>1</sup> and, if such gift includes travel, it is also approved by the covered person’s supervisor.

All offers of gifts or favors beyond this policy should be immediately reported to the employee’s supervisor, in the case of a covered person who is an employee, and to the Compliance Officer.

### **D. Sensitive Payments**

The use of the Company funds or assets by employees for any unlawful purpose is strictly prohibited. Covered persons shall not:

1. Establish for any purpose undisclosed or unrecorded funds or assets of the Company.
2. Make false or artificial entries in the books and records of the Company for any reason.
3. Engage in any arrangement that results in such prohibited acts.

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<sup>1</sup> By way of example, gifts of entertainment or hospitality that would generally be permitted include regular season sporting or cultural events (e.g., baseball or football games, ballet, symphony, and theater) and local golf outings. Depending upon the circumstances, special events such as exclusive cultural events and post-season sporting events may be permitted as determined by the Company’s Compliance Officer.

Any covered person having information or knowledge of any unrecorded fund or asset or any prohibited act shall promptly report such matter to the Compliance Officer.

#### **E. Foreign Transactions and Payments**

Having due regard for the responsibilities relating to international operations, it is the Company's policy that all covered persons and agents comply with the ethical standards and applicable legal requirements of the Foreign Corrupt Practices Act and of each foreign country in which business is conducted.

The Foreign Corrupt Practices Act makes it a criminal offense for a United States company or agent acting on its behalf to pay anything of value to any foreign government official to influence any official action in securing, retaining, or directing business. This prohibition applies to bribes, kick-backs or like payments made directly to such foreign officials or indirectly through seemingly legitimate payments such as commissions or consulting fees paid to overseas agents or representatives.

#### **F. Political Campaign Contributions**

Political campaign contributions include direct expenditures or contributions, in cash or property, to candidates for nomination or election to public office or to political parties, as well as indirect assistance or support such as the furnishing of goods, services or equipment, or other political fund-raising events.

No political campaign contributions shall be made by the Company in cash or by any other means whereby the amount or origin of the contribution cannot be readily established by reference to the documents and records of the Company. All contributions shall be made to the candidates authorized campaign committee, or to a political party, or to other recipients who may legally receive such contributions and all reporting requirements of the state or local jurisdictions shall be complied with. Each contribution shall be clearly recorded on the Company's books as a political campaign contribution or its equivalent and shall not be deducted for federal, state or local income tax purposes unless authorized under applicable law.

The Foreign Corrupt Practices Act also prohibits contributions to foreign political parties or candidates for foreign political office for the purpose of influencing their actions to secure, retain or direct business. The prohibition applies regardless of whether the contribution is lawful under the laws of the country in which it is made. Accordingly, company policy strictly prohibits any payments with corporate funds, to, or any use of corporate assets for the benefit of, any foreign political party or candidate for political office.

### **III. SUMMARY OF GENERAL OBLIGATIONS OF EMPLOYEES**

Under this policy, covered persons are responsible for:

- o Full and immediate disclosure to the Compliance Officer of any interest which they or members of their immediate families have at the time of association with the Company, or acquire during such covered person's association with the Company, which create or appear to create a possible conflict with the

Company's interests. In furtherance of this, all new employees will be routinely provided a copy of the Conflicts of Interest Policy and will be required to execute a signed acknowledgement of its receipt; and

- o Taking any actions regarded by the Company as being necessary to eliminate or satisfactorily regulate a conflict of interest situation.

#### **IV. FAILURE TO COMPLY**

Failure to comply with this policy and procedures can result in disciplinary actions up to and including termination of employment, and/or initiation of appropriate legal action.

#### **V. FURNISHING DISCLOSURE INFORMATION**

With respect to any disclosure information furnished in accordance with the Company's Conflicts of Interest Policy, the Company will endeavor to properly protect such information.

**EXHIBIT B**

**CAESARS ENTERTAINMENT, INC.**

**CODE OF ETHICS AND BUSINESS CONDUCT CONFIRMATION STATEMENT**

Date: \_\_

I, \_\_ hereby confirm the following statements to Caesars Entertainment, Inc. (the “Company”):

- (1) I am a director, officer, employee or consultant of the Company and/or one of its subsidiaries.
- (2) I have read and I understand the Company’s Code of Ethics and Business Conduct (the “Code”), including its Conflicts of Interest Policy.
- (3) There is no actual, potential or apparent conflict of interest between myself or any of my immediate family members and the Company (or any of its subsidiaries) as described in the Code, except:  
—  
—  
—  
—.
- (4) I understand that I am under an ongoing obligation to notify the Compliance Officer should any of the information in this confirmation statement change.
- (5) I understand that the Code and all amendments to the Code are available for my review on the Company’s website and upon request from the Company’s Corporate Secretary.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**CAESARS ENTERTAINMENT, INC.**  
**LIST OF SUBSIDIARIES**  
**As of July 6, 2022**

<b>Name</b>	<b>Jurisdiction of Incorporation</b>
1300 WSED, LLC	Delaware
1301 WSED, LLC	Maryland
1400 WSED, LLC	Delaware
3535 LV Corp.	Nevada
3535 LV Newco, LLC	Delaware
AC Conference Holdco., LLC	Delaware
AC Conference Newco., LLC	Delaware
American Wagering, Inc.	Nevada
Aster Insurance Ltd.	Bermuda
AWI Gaming, Inc.	Nevada
AWI Manufacturing, Inc.	Minnesota
Aztar Riverboat Holding Company, LLC	Indiana
Bally's Las Vegas Manager, LLC	Delaware
Bally's Park Place, LLC	New Jersey
Benco, LLC	Nevada
BetDC, LLC <sup>(1)</sup>	Delaware
BL Development, LLC	Minnesota
Black Hawk Holdings, L.L.C.	Colorado
Boardwalk Regency LLC	New Jersey
Brandywine Bookmaking, LLC	Delaware
BV Manager, LLC	Delaware
BW Sub Co.	Nevada
Caesars Asia Limited	Hong Kong
Caesars Bahamas Investment Corporation	Bahamas
Caesars Bahamas Management Corporation	Bahamas
Caesars Baltimore Investment Company, LLC	Delaware
Caesars Baltimore Management Company, LLC	Delaware
Caesars Convention Center Owner, LLC	Delaware
Caesars Digital Canada, Inc.	Canada
Caesars Dubai, LLC	Delaware
Caesars Enterprise Services, LLC <sup>(2)</sup>	Delaware
Caesars Entertainment Japan, LLC	Delaware
Caesars Entertainment Windsor Limited	Canada
Caesars Growth Bally's LV, LLC	Delaware
Caesars Growth Baltimore Fee, LLC	Delaware
Caesars Growth Cromwell, LLC	Delaware
Caesars Growth Harrah's New Orleans, LLC	Delaware
Caesars Growth Partners, LLC	Delaware
Caesars Growth PH Fee, LLC	Delaware
Caesars Growth PH, LLC	Delaware
Caesars Growth Quad, LLC	Delaware
Caesars Holdings, Inc.	Delaware
Caesars Hospitality, LLC	Delaware
Caesars Interactive Entertainment New Jersey, LLC	Delaware
Caesars Interactive Holdco, LLC	Delaware

Name	Jurisdiction of Incorporation
Caesars International Hospitality, LLC	Delaware
Caesars Joint IP Company Limited	United Kingdom
Caesars Korea Holding Company, LLC	Delaware
Caesars Korea Services, LLC	Delaware
Caesars License Company, LLC	Nevada
Caesars Linq, LLC	Delaware
Caesars Massachusetts Investment Company, LLC	Delaware
Caesars Nevada Newco LLC	Nevada
Caesars New Jersey, LLC	New Jersey
Caesars Octavius, LLC	Delaware
Caesars Palace LLC	Delaware
Caesars Palace Realty LLC	Nevada
Caesars Parlay Holding, LLC	Delaware
Caesars Resort Collection, LLC	Delaware
Caesars Trading and Technology Services Limited <sup>(3)</sup>	United Kingdom
Caesars Trex, Inc.	Delaware
Caesars Virginia, LLC	Delaware
Caesars World International Corporation (S) PTE, Ltd.	Singapore
Caesars World International Far East Limited	Hong Kong
Caesars World, LLC	Florida
Caesars World Marketing LLC	New Jersey
Caesars World Merchandising, LLC	Nevada
California Clearing Corporation	California
Casino Computer Programming, Inc.	Indiana
CBAC Borrower, LLC	Delaware
CBAC Gaming, LLC <sup>(4)</sup>	Delaware
CBAC Holding Company, LLC	Delaware
CCR Newco, LLC	Nevada
CCSC/Blackhawk, Inc.	Colorado
Centaur Acquisition, LLC	Indiana
Centaur Colorado, LLC	Delaware
Centaur Holdings, LLC	Delaware
CEOC, LLC	Delaware
CEWL Holdco, LLC	Delaware
Chester Downs and Marina LLC	Pennsylvania
Chester Facility Holding Company, LLC	Delaware
CIE Growth, LLC	Delaware
Circus and Eldorado Joint Venture, LLC	Nevada
Columbus Southeast Hotel Group, LLC <sup>(5)</sup>	Ohio
Computerized Bookmaking Systems, Inc.	Nevada
Corner Investment Company, LLC	Nevada
CPLV Manager, LLC	Delaware
CRC Finco, Inc.	Delaware
Cromwell Manager, LLC	Delaware
CRS Annex, LLC	Nevada
Des Plaines Development Limited Partnership <sup>(6)</sup>	Delaware
Desert Palace, LLC	Nevada

Name	Jurisdiction of Incorporation
Eastside Convention Center, LLC	Delaware
Eldo Fit, LLC	Nevada
Eldorado Holdco LLC	Nevada
Eldorado Limited Liability Company	Nevada
Eldorado Shreveport #1, LLC	Nevada
Eldorado Shreveport #2, LLC	Nevada
Elgin Holdings I, LLC	Delaware
Elgin Holdings II, LLC	Delaware
Elgin Riverboat Resort - Riverboat Casino	Illinois
Entertainment RMG Canada, Inc.	Canada
Flamingo CERP Manager, LLC	Nevada
Flamingo Las Vegas Operating Company, LLC	Nevada
Four Suits Technology	Poland
GB Investor, LLC	Delaware
Giles Road Developer, LLC	Delaware
Grand Casinos of Biloxi, LLC	Minnesota
Grand Casinos, Inc.	Minnesota
Harrah South Shore Corporation	California
Harrah's Arizona Corporation	Nevada
Harrah's Atlantic City Operating Company, LLC	New Jersey
Harrah's Atlantic City Propco, LLC	Delaware
Harrah's Chester Downs Investment Company, LLC	Delaware
Harrah's Chester Downs Management Company, LLC	Nevada
Harrah's Illinois LLC	Nevada
Harrah's Interactive Investment Company	Nevada
Harrah's Iowa Arena Management, LLC	Delaware
Harrah's Las Vegas, LLC	Nevada
Harrah's Laughlin, LLC	Nevada
Harrah's Management Company	Nevada
Harrah's NC Casino Company, LLC	North Carolina
Harrah's Nebraska, LLC	Delaware
Harrah's New Orleans Management Company, LLC	Nevada
Harrah's North Kansas City LLC	Missouri
Harrah's Oklahoma, LLC	Delaware
Harrah's Operating Company Memphis, LLC	Delaware
Harrah's Shreveport/Bossier City Investment Company, LLC	Delaware
Harveys BR Management Company, Inc.	Nevada
Harveys Iowa Management Company, LLC	Nevada
Harveys Tahoe Management Company, LLC	Nevada
HBR Realty Company, LLC	Nevada
HCAL, LLC	Nevada
HLV CERP Manager, LLC	Nevada
Hole in the Wall, LLC	Nevada
Hoosier Park, LLC	Indiana
Horseshoe Cincinnati Management, LLC	Delaware
Horseshoe Entertainment	Louisiana
Horseshoe Gaming Holding, LLC	Delaware



Name	Jurisdiction of Incorporation
Horseshoe GP, LLC	Nevada
Horseshoe Hammond, LLC	Indiana
HP Dining & Entertainment, LLC	Indiana
HP Dining & Entertainment II, LLC	Indiana
HTM Holding, LLC	Nevada
IC Holdings Colorado, Inc.	Colorado
IOC - Black Hawk Distribution Company, LLC	Colorado
IOC - Boonville, Inc.	Nevada
IOC - Lula, Inc.	Mississippi
IOC Black Hawk County, Inc.	Iowa
IOC Holdings, L.L.C.	Louisiana
IOC Manufacturing, Inc.	Mississippi
IOC Services, LLC	Delaware
IOC-Natchez, Inc.	Mississippi
IOC-PA, L.L.C.	Pennsylvania
IOC-Vicksburg, Inc.	Delaware
IOC-Vicksburg, L.L.C.	Delaware
Isle of Capri Bettendorf Marina Corporation	Iowa
Isle of Capri Bettendorf, LLC	Iowa
Isle of Capri Black Hawk, LLC	Colorado
Isle of Capri Casinos, LLC	Delaware
Isle Promotional Association, Inc.	Colorado
Jazz Casino Company, LLC	Louisiana
JCC Fulton Development, LLC	Louisiana
JCC Holding Company II, LLC	Delaware
JGB Vegas Retail Lessee, LLC <sup>(7)</sup>	Nevada
Joliet Manager, LLC	Delaware
Keystone State Development, Inc.	Pennsylvania
Lady Luck Gaming Corporation	Delaware
Lady Luck Vicksburg, Inc.	Mississippi
Laughlin CERP Manager, LLC	Nevada
Laundry Newco, LLC	Delaware
Lighthouse Point, LLC	Mississippi
LINQCUP, LLC	Delaware
MTR Gaming Group, Inc.	Delaware
MVCE Middle East, LLC <sup>(8)</sup>	Dubai
New Centaur, LLC	Delaware
New Gaming Capital Partnership	Nevada
New Jazz Enterprises, LLC	Nevada
New Robinson Property Group, LLC	Delaware
New Tropicana Holdings, Inc.	Delaware
New Tropicana OpCo, Inc.	Delaware
Non-CPLV Manager, LLC	Delaware
Octavius/Linq Intermediate Holding, LLC	Delaware
Old PID, Inc.	Pennsylvania
OS Holdco, LLC	Nevada
Parball LLC	Nevada

**Name**

Parball Newco, LLC  
Paris CERP Manager, LLC

**Jurisdiction of  
Incorporation**

Delaware  
Nevada

Name	Jurisdiction of Incorporation
Paris Las Vegas Operating Company, LLC	Nevada
Parlay Solutions, LLC <sup>(9)</sup>	Delaware
PHW Las Vegas, LLC	Nevada
PHW Manager, LLC	Nevada
PHWCUP, LLC	Delaware
PHWL, LLC	Nevada
Pier at Caesars LLC	New Jersey
Players Bluegrass Downs, LLC	Kentucky
Players Holding, LLC	Nevada
Players International, LLC	Nevada
Pompano Park JV Holdings LLC <sup>(10)</sup>	Florida
Pompano Park Holdings LLC	Florida
PPI Development, LLC	Delaware
PPI Development Holdings, LLC	Delaware
PPI, Inc.	Florida
Racelinebet, Inc.	Oregon
Rio CERP Manager, LLC	Nevada
Rio Properties, LLC	Nevada
Robinson Property Group LLC	Mississippi
Roman Entertainment Corporation of Indiana	Indiana
Roman Holding Company of Indiana, LLC	Indiana
Romulus Risk and Insurance Company, Inc.	Nevada
Scioto Downs, Inc.	Ohio
SDRS, Inc.	Ohio
Sharp Dressed Man Las Vegas, LLC	Nevada
Sharp Dressed Man Manager, LLC <sup>(11)</sup>	Nevada
Showboat Atlantic City Operating Company, LLC	New Jersey
Southern Illinois Riverboat/Casino Cruises, LLC	Illinois
St. Charles Gaming Company, L.L.C.	Delaware
Sterling Suffolk Racecourse, LLC <sup>(12)</sup>	Massachusetts
SuperDraft, Inc. <sup>(13)</sup>	Delaware
TEI (ES), LLC	Delaware
TEI (St. Louis) RE, LLC	Delaware
TEI (STLH), LLC	Delaware
TEI R7 Investment LLC	Delaware
The Paramount Baltimore <sup>(14)</sup>	Maryland
The Quad Manager, LLC	Delaware
Tropicana Atlantic City Corp.	New Jersey
Tropicana Entertainment, Inc.	Delaware
Tropicana Laughlin, LLC	Nevada
Tropicana St. Louis LLC	Delaware
Tropicana St. Louis RE LLC	Delaware
TropWorld Games LLC	Nevada
Tunica Roadhouse LLC	Delaware
Vegas Development Land Owner, LLC	Delaware
WH NV III, LLC	Delaware
WHUS Techco, Inc.	Delaware

<b>Name</b>	<b>Jurisdiction of Incorporation</b>
William Hill DFSB, Inc.	Delaware
William Hill Limited	United Kingdom
William Hill Nevada I	Nevada
William Hill Nevada III	Nevada
William Hill New Jersey, Inc.	New Jersey
William Hill US Holdco, Inc.	Delaware
Windsor Casino Limited	Canada

- 1 49% American Wagering, Inc.; 51% third party shareholders
- 2 69% CEOC, LLC; 31% Caesars Resort Collection, LLC
- 3 50% Caesars Entertainment, Inc.; 50% William Hill U.S. Holdco, Inc.
- 4 75.8% CR Baltimore Holdings, LLC; 24.2% third party shareholders
- 5 42% Scioto Downs, Inc.; 58% third party shareholders
- 6 80% Harrah's Illinois LLC; 20% third party shareholder
- 7 8.65% GB Investor, LLC; 91.35% third party shareholders
- 8 49% Caesars Dubai LLC; 51% third party shareholders
- 9 50% Caesars Parlay Holdings, LLC; 50% third party shareholders
- 10 50% PPI Development, LLC; 50% third party shareholders
- 11 50% Caesars Hospitality, LLC; 50% third-party shareholders
- 12 4.09% Caesars Massachusetts Investment Company, LLC; 95.91% third party shareholders
- 13 33.33% William Hill U.S. Holdco, Inc.; 66.67% third party shareholders
- 14 6% CBAC Borrower, LLC; 94% third party shareholders

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-232336 and 333-245051 on Form S-8, and Registration Statement No. 333-239175 on Form S-3 of our reports dated February 21, 2023, relating to the financial statements of Caesars Entertainment, Inc. (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada

February 21, 2023

**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 Annual Report on Form 10-K 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2023

/s/ THOMAS R. REEG

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

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

I, Bret Yunker, certify that:

1. I have reviewed this Annual Report on Form 10-K 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2023

/s/ BRET YUNKER

\_\_\_\_\_  
Bret Yunker

Chief Financial Officer

(Principal Financial Officer)



**CERTIFICATION**  
**of**  
**Thomas R. Reeg**  
**Chief Executive Officer**

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

1. The Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2022 (the “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 Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2023

/s/ THOMAS R. REEG

\_\_\_\_\_  
Thomas R. Reeg

Chief Executive Officer

**CERTIFICATION**  
**of**  
**Bret Yunker**  
**Chief Financial Officer**

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

1. The Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2022 (the “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 Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2023

/s/ BRET YUNKER

\_\_\_\_\_  
Bret Yunker

Chief Financial Officer

## Description of Governmental Regulations

### **General**

The ownership, operation, and management of our gaming, betting and racing facilities (generically referred to herein as “gaming”) are subject to significant regulation under the laws and regulations of each of the jurisdictions in which we operate. Gaming laws are generally based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. Gaming laws may also be designed to protect and maximize state and local revenues derived through taxes and licensing fees imposed on gaming industry participants, as well as to enhance development and tourism. To accomplish these public policy goals, gaming laws establish stringent procedures to ensure that participants in the gaming industry meet certain standards of character and fitness. In addition, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organizations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators;
- ensure that contracts and financial transactions are commercially reasonable, reflect fair market value and are arms-length transactions; and
- establish programs to promote responsible gaming.

Typically, a state regulatory environment is established by statute and is administered by a regulatory agency with broad discretion to regulate the affairs of owners, managers, and persons with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which we operate:

- adopt rules and regulations under the implementing statutes;
- interpret and enforce gaming laws;
- impose disciplinary sanctions for violations, including fines and penalties;
- review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- grant licenses for participation in gaming operations;
- collect and review reports and information submitted by participants in gaming operations;
- review and approve transactions, such as acquisitions or change-of-control transactions of gaming industry participants, securities offerings and debt transactions engaged in by such participants; and
- establish and collect fees and taxes.

Any change in the laws or regulations of a gaming jurisdiction could have a material adverse effect on our gaming operations.

### **Licensing and Suitability Determinations**

Gaming laws require us, each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, certain of our shareholders and holders of our debt securities, to obtain licenses from gaming authorities. Licenses typically require a determination that the applicant qualifies or is suitable to hold the license. Gaming authorities have broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable.

Criteria used in determining whether to grant or renew a license to conduct gaming operations, while varying between jurisdictions, generally include consideration of factors such as:

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

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

Many gaming jurisdictions limit the number of licenses granted to operate casinos within the state, and some states limit the number of licenses granted to any one gaming operator. Licenses under gaming laws are generally not transferable without regulatory approval. Licenses in most of the jurisdictions in which we conduct gaming operations are granted for limited durations and require renewal from time to time. There can be no assurance that any of our licenses will be renewed. The failure to renew any of our licenses could have a material adverse effect on our gaming operations.

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

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

Moreover, in many jurisdictions, certain of our stockholders or holders of our debt securities may be required to undergo a suitability investigation similar to that described above. Many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of our voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability.

Most gaming authorities, however, allow an "institutional investor" to apply for a waiver. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor for passive investment purposes only, and not for the purpose of causing, directly or indirectly, the election of a member of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for passive investment purposes only. Even if a waiver is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised that it is required by gaming authorities may be denied a license or found unsuitable, as applicable. Any stockholder found unsuitable or denied a license and who holds, directly or indirectly, any beneficial ownership of our voting securities beyond such period of time, as may be prescribed by the applicable gaming authorities, may be guilty of a criminal offense. Furthermore, we may be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or any of our subsidiaries, we: (i) pay that person any dividend or interest upon our voting securities; (ii) allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person; (iii) pay remuneration in any form to that person for services rendered or otherwise; or (iv) fail to pursue all

lawful efforts to require such unsuitable person to relinquish his voting securities including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

The gaming jurisdictions in which we operate also require that suppliers of certain goods and services to gaming industry participants be licensed and require us to purchase and lease gaming equipment, and certain supplies and services only from licensed suppliers.

### ***Violations of Gaming Laws***

If we or our subsidiaries violate applicable gaming laws, our gaming licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or states. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could have a material adverse effect on our gaming operations.

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

### ***Reporting and Recordkeeping Requirements***

We are required periodically to submit detailed financial and operating reports and furnish any other information about us and our subsidiaries which gaming authorities may require. Under federal law, we are required to record and submit detailed reports of currency transactions involving greater than \$10,000 at our casinos as well as any suspicious activity that may occur at such facilities. We are required to maintain a current stock ledger which may be examined by gaming authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. Gaming authorities may require certificates for our securities to bear a legend indicating that the securities are subject to specified gaming laws.

### ***Review and Approval of Transactions***

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

Certain gaming laws and regulations in jurisdictions we operate in establish that certain corporate acquisitions opposed by management, repurchases of voting securities and corporate defense tactics affecting us or our subsidiaries may be injurious to stable and productive corporate gaming, and as a result, prior approval may be required before we may make exceptional repurchases of voting securities (such as repurchases which treat holders differently) above the current market price and before a corporate acquisition opposed by management can be consummated. In certain jurisdictions, the gaming authorities also require prior approval of a plan of recapitalization proposed by the board of directors of a publicly traded corporation which is registered with the gaming authority in response to a tender offer made directly to the registered corporation's stockholders for the purpose of acquiring control of the registered corporation.

Because of regulatory restrictions, our ability to grant a security interest in any of our gaming assets is limited and subject to receipt of prior approval from gaming authorities. Further, a pledge of the stock of a subsidiary holding a gaming license and the foreclosure of such a pledge may be ineffective without the prior approval of gaming authorities in certain jurisdictions. Moreover, our subsidiaries holding gaming licenses may be unable to guarantee a security issued by an affiliated or parent company pursuant to a public offering, or pledge their assets to secure payment of the obligations evidenced by the security issued by an affiliated or parent company, without the prior approval of certain gaming authorities.

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

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

Certain jurisdictions require that an independent audit committee oversee the functions of surveillance and internal audit departments at our casinos.

### ***License Fees and Gaming Taxes***

We pay substantial license fees and taxes in many jurisdictions, including some of the counties and cities in which our operations are conducted, in connection with our casino gaming operations, computed in various ways depending on the type of gaming or activity involved. Depending upon the particular fee or tax involved, these fees and taxes are payable with varying frequency. License fees and taxes are based upon such factors as:

- a percentage of the gross gaming revenues received;
- the number of gaming devices and table games operated;
- admission fees for customers boarding our riverboat casinos; and/or
- one time fees payable upon the initial receipt of license and fees in connection with the renewal of license.

In many jurisdictions, gaming tax rates are graduated, such that they increase as gross gaming revenues increase. Furthermore, tax rates are subject to change, sometimes with little notice, and such changes could have a material adverse effect on our gaming operations.

In addition to taxes specifically unique to gaming, we are required to pay all other applicable taxes.

### ***Operational Requirements***

In most jurisdictions, we are subject to certain requirements and restrictions on how we must conduct our gaming operations. In many states, we are required to give preference to local suppliers and include minority and women-owned businesses as well as organized labor in construction projects to the maximum extent practicable as well as in general vendor business activity. Similarly, we may be required to give employment preference to minorities, women and in-state residents in certain jurisdictions.

Some gaming jurisdictions also prohibit a distribution, except to allow for the payment of taxes, if the distribution would impair the financial viability of the gaming operation. Moreover, many jurisdictions require a gaming operation to maintain insurance and post bonds in amounts determined by their gaming authority. In addition, our ability to conduct certain types of games, introduce new games or move existing games within our facilities may be restricted or subject to regulatory review and approval. Some of our operations are subject to restrictions on the number of gaming positions we may have and the maximum wagers allowed to be placed by our customers.

Some jurisdictions apply specific conditions that impact our ability to conduct gaming and non-gaming operations. Examples include but are not limited to: Our land-based casino in New Orleans operates under a casino operating contract (the "COC") with the State of Louisiana by and through the Louisiana Gaming Control Board, which assumed the regulatory authority, control and jurisdiction from the Louisiana Economic Development Control Board pursuant to Louisiana Revised Statute 27:31. The COC was recently renegotiated to extend the term by thirty years to 2054. Under Louisiana state law, our New Orleans casino is subject to restrictions on the number of hotel rooms, the amount of meeting space within the hotel and how we may market and advertise the rates we charge for rooms. Also in Louisiana we are required to comply with certain operating conditions applicable to our subsidiaries. In Mississippi we are required to provide certain amenities at our operations. In Iowa we have entered into agreements with non-profit organizations that hold the license to conduct gambling games. Similar conditions are applicable to subsidiaries in additional jurisdictions.

### ***Indian Gaming***

The terms and conditions of management contracts and the operation of casinos and all gaming on Indian land in the United States are subject to the Indian Gaming Regulatory Act of 1988, (the "IGRA"), which is administered by the National Indian Gaming Commission, (the "NIGC"), the gaming regulatory agencies of tribal governments, and Class III gaming compacts between the tribes for which we manage casinos and the states in which those casinos are located. IGRA established three separate classes of tribal gaming-Class I, Class II and Class III. Class I includes all traditional or social games solely for prizes of minimal value played by a tribe in connection with celebrations or ceremonies. Class II gaming includes games such as

bingo, pulltabs, punchboards, instant bingo and non-banked card games (those that are not played against the house) such as poker. Class III gaming includes casino-style gaming such as banked table games like blackjack, craps and roulette, and gaming machines such as slots and video poker, as well as lotteries and pari-mutuel wagering. Harrah's Ak-Chin and Harrah's Resort Southern California (Rincon) provide Class II gaming and, as limited by the tribal-state compacts, Class III gaming. Harrah's Cherokee currently provides only Class III gaming.

IGRA prohibits all forms of Class III gaming unless the tribe has entered into a written agreement or compact with the state that specifically authorizes the types of Class III gaming the tribe may offer. These compacts may address, among other things, the manner and extent to which each state will conduct background investigations and certify the suitability of the manager, its officers, directors, and key employees to conduct gaming on tribal lands. We have received our permanent certification from the Arizona Department of Gaming as management contractor for the Ak-Chin Indian Community's casino, a Tribal-State Compact Gaming Resource Supplier Finding of Suitability from the California Gambling Control Commission in connection with management of the Rincon San Luiseno Band of Indians casino, and have been licensed by the relevant tribal gaming authorities to manage the Ak-Chin Indian Community's casino, the Eastern Band of Cherokee Indians' casino and the Rincon San Luiseno Band of Indians' casino, respectively. In addition, we provide advisory services under an agreement with the Buena Vista Rancheria of We-Muk Indians of California tribe for their casino operated in Ione, California.

IGRA requires NIGC approval of management contracts for Class II and Class III gaming as well as the review of all agreements collateral to the management contracts. Management contracts which are not so approved are void.

Management contracts can be modified or canceled pursuant to an enforcement action taken by the NIGC based on a violation of the law or an issue affecting suitability.

Indian tribes are sovereign with their own governmental systems, which have primary regulatory authority over gaming on land within the tribes' jurisdiction. Therefore, persons engaged in gaming activities, including the company, are subject to the provisions of tribal ordinances and regulations on gaming. These ordinances are subject to review by the NIGC under certain standards established by IGRA. The NIGC may determine that some or all of the ordinances require amendment, and that additional requirements, including additional licensing requirements, may be imposed on the management company. The possession of valid licenses from the Ak-Chin Indian Community, the Eastern Band of Cherokee Indians and the Rincon San Luiseno Band of Indians, are ongoing conditions of our agreements with these tribes.

### ***Riverboat Casinos***

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

### ***Racetracks***

We conduct standard bred harness racing at Harrah's Hoosier Park in Anderson, Indiana, harness racing at Harrah's Philadelphia in Chester, Pennsylvania, thoroughbred racing at Indiana Grand Racing & Casino in Shelbyville, Indiana, horse racing operations at our harness racing track Isle Casino Racing Pompano Park, located in Pompano Beach, Florida, and live standard bred harness racing at Scioto Downs in the Columbus, Ohio area. Each of these facilities also offer pari-mutuel wagering and live wagering on races held at other facilities.

We currently operate a mix of poker, slot, table games and video lottery terminals at our racetracks depending on the local regulatory environment. Generally, our gaming operations at racetracks are regulated in the same manner as our gaming operations in other jurisdictions. In some jurisdictions, our ability to conduct gaming operations may be conditioned on the maintenance of agreements or certain arrangements with horsemen's or labor groups or meeting minimum live racing requirements.

Regulations governing our horse, and harness racing operations are, in most jurisdictions, administered separately from the regulations governing gaming operations, with separate licenses and license fee structures. The racing authorities responsible for regulating our racing operations have broad oversight authority, which may include: annually reviewing and granting racing licenses and racing dates; approving the opening and operation of off track wagering facilities; approving simulcasting activities; licensing all officers, directors, racing officials and certain other employees of a racing licensee; and approving

certain contracts entered into by a racing licensee affecting racing, pari-mutuel wagering, account wagering and off track wagering operations.

### ***Interactive & Internet Business***

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

Our Caesars Digital segment operates online sports betting and iGaming, including online poker, in various states where legalized. We have also entered into agreements with third parties for the use of the World Series of Poker brand on online gaming websites internationally and domestically. We are required to operate under the regulations and established licensing requirements for each state or international jurisdiction in which we operate. Failure to maintain compliance with these regulations could result in fines or the suspension and possible revocation of our license(s). We and our partners continue to monitor other domestic markets for points of entry.

The gaming and other laws and regulations to which we are subject could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For example, in 2018, the U.S. Department of Justice (the “DOJ”) reversed its previously- issued opinion published in 2011, which stated that interstate transmissions of wire communications that do not relate to a “sporting event or contest” fall outside the purview of the Wire Act of 1961 (the “Wire Act”). The DOJ’s updated opinion, which is the subject of ongoing litigation in federal court, stated instead that the Wire Act was not uniformly limited to gaming relating to sporting events or contests and that certain of its provisions apply to non-sports-related wagering activity. Any such material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our business and operating results.

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

### ***Sports Book Wagering & Online Wagering***

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



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

**Exhibit. Supplemental Consolidating Financial Information**

The following tables present the balance sheets as of December 31, 2022 and 2021, statements of operations for years ended December 31, 2022 and 2021, cash flows for years ended December 31, 2022 and 2021, and Adjusted EBITDA for the quarter and year ended December 31, 2022 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.

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

The consolidating condensed balance sheets as of December 31, 2022 and 2021 are as follows:

<i>(In millions)</i>	December 31, 2022			December 31, 2021		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$ 432	\$ 606	\$ 1,038	\$ 508	\$ 562	\$ 1,070
Restricted cash	15	116	131	13	306	319
Accounts receivable, net	463	148	611	369	103	472
Inventories	45	14	59	30	12	42
Prepayments and other current assets	171	92	263	189	101	290
Assets held for sale	—	—	—	—	3,771	3,771
Total current assets	1,126	976	2,102	1,109	4,855	5,964
Investments in and advances to unconsolidated affiliates	—	94	94	—	158	158
Property and equipment, net	11,540	3,058	14,598	11,688	2,913	14,601
Gaming rights and other intangibles, net	3,149	1,565	4,714	3,255	1,665	4,920
Goodwill	9,014	1,990	11,004	9,014	2,062	11,076
Other assets, net	1,482	(467)	1,015	1,500	(188)	1,312
Total assets	\$ 26,311	\$ 7,216	\$ 33,527	\$ 26,566	\$ 11,465	\$ 38,031
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	206	108	314	175	79	254
Accrued interest	120	198	318	118	202	320
Accrued other liabilities	1,070	858	1,928	1,053	920	1,973
Due to affiliates	1,481	(1,481)	—	601	(601)	—
Current portion of long-term debt	\$ 67	\$ 41	\$ 108	\$ 67	\$ 3	\$ 70
Liabilities related to assets held for sale	—	—	—	—	2,680	2,680
Total current liabilities	2,944	(276)	2,668	2,014	3,283	5,297
Long-term financing obligation	11,364	1,246	12,610	11,191	1,233	12,424
Long-term debt	5,173	7,486	12,659	6,861	6,861	13,722
Long-term debt to related party	15	(15)	—	15	(15)	—
Deferred income taxes	1,518	(531)	987	1,555	(444)	1,111
Other long-term liabilities	427	425	852	524	412	936
Total liabilities	21,441	8,335	29,776	22,160	11,330	33,490
<b>STOCKHOLDERS' EQUITY:</b>						
Caesars stockholders' equity	4,858	(1,145)	3,713	4,395	85	4,480
Noncontrolling interests	12	26	38	11	50	61
Total stockholders' equity	4,870	(1,119)	3,751	4,406	135	4,541
Total liabilities and stockholders' equity	\$ 26,311	\$ 7,216	\$ 33,527	\$ 26,566	\$ 11,465	\$ 38,031

The consolidating condensed statements of operations for years ended December 31, 2022 and 2021 are as follows:

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

<i>(In millions)</i>	Year Ended December 31, 2022			Year Ended December 31, 2021		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
<b>REVENUES:</b>						
Casino	\$ 3,961	\$ 2,036	\$ 5,997	\$ 4,010	\$ 1,817	\$ 5,827
Food and beverage	1,351	245	1,596	970	170	1,140
Hotel	1,699	258	1,957	1,309	242	1,551
Other	1,100	171	1,271	933	119	1,052
Net revenues	8,111	2,710	10,821	7,222	2,348	9,570
<b>EXPENSES:</b>						
Casino	1,841	1,685	3,526	1,830	1,299	3,129
Food and beverage	775	160	935	587	120	707
Hotel	438	91	529	357	81	438
Other	383	28	411	353	20	373
General and administrative	1,391	677	2,068	1,214	568	1,782
Corporate	282	4	286	249	60	309
Impairment charges	30	78	108	102	—	102
Depreciation and amortization	897	308	1,205	891	235	1,126
Transaction and other costs	27	(13)	14	56	88	144
Total operating expenses	6,064	3,018	9,082	5,639	2,471	8,110
Operating income (loss)	2,047	(308)	1,739	1,583	(123)	1,460
<b>OTHER EXPENSE:</b>						
Interest expense, net	(1,586)	(679)	(2,265)	(1,648)	(647)	(2,295)
Loss on extinguishment of debt	(85)	—	(85)	(200)	(36)	(236)
Other income (loss)	24	22	46	(2)	(196)	(198)
Total other expense	(1,647)	(657)	(2,304)	(1,850)	(879)	(2,729)
Income (loss) from continuing operations before income taxes	400	(965)	(565)	(267)	(1,002)	(1,269)
Benefit (provision) for income taxes	(29)	70	41	60	223	283
Income (loss) from continuing operations, net of income taxes	371	(895)	(524)	(207)	(779)	(986)
Discontinued operations, net of income taxes	(2)	(384)	(386)	(22)	(8)	(30)
Net income (loss)	369	(1,279)	(910)	(229)	(787)	(1,016)
Net (income) loss attributable to noncontrolling interests	(2)	13	11	(3)	—	(3)
Net income (loss) attributable to Caesars	\$ 367	\$ (1,266)	\$ (899)	\$ (232)	\$ (787)	\$ (1,019)

The consolidating condensed statements of cash flows for years ended December 31, 2022 and 2021 are as follows:

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

<i>(In millions)</i>	Year Ended December 31, 2022			Year Ended December 31, 2021		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Net cash provided by (used in) operating activities	\$ 2,418	\$ (1,425)	\$ 993	\$ 2,304	\$ (1,105)	\$ 1,199
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Purchase of property and equipment, net	(621)	(331)	(952)	(327)	(193)	(520)
Acquisition of William Hill, net of cash acquired	—	—	—	—	(1,581)	(1,581)
Purchase of additional interest in Horseshoe Baltimore, net of cash consolidated	—	—	—	—	(5)	(5)
Acquisition of gaming rights and trademarks	(11)	—	(11)	(262)	(50)	(312)
Proceeds from sale of businesses, property and equipment, net of cash sold	23	16	39	261	465	726
Proceeds from the sale of investments	—	126	126	—	239	239
Proceeds from insurance related to property damage	—	36	36	—	44	44
Investments in unconsolidated affiliates	—	—	—	—	(39)	(39)
Other	—	(6)	(6)	—	—	—
Net cash used in investing activities	(609)	(159)	(768)	(328)	(1,120)	(1,448)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>						
Proceeds from long-term debt and revolving credit facilities	750	750	1,500	108	1,200	1,308
Repayments of long-term debt and revolving credit facilities	(2,633)	(105)	(2,738)	(1,875)	(102)	(1,977)
Financing obligation payments	(4)	1	(3)	—	(5)	(5)
Transactions with parent	—	—	—	(117)	117	—
Debt issuance and extinguishment costs	—	(12)	(12)	—	(56)	(56)
Proceeds from issuance of common stock	—	1	1	—	3	3
Cash paid to settle convertible notes	—	—	—	—	(367)	(367)
Taxes paid related to net share settlement of equity awards	—	(27)	(27)	—	(45)	(45)
Distributions to noncontrolling interest	(1)	(2)	(3)	—	(2)	(2)
Net cash provided by (used in) financing activities	(1,888)	606	(1,282)	(1,884)	743	(1,141)
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS:</b>						
Cash flows from operating activities	—	(18)	(18)	26	(53)	(27)
Cash flows from investing activities	—	386	386	(2)	(1,473)	(1,475)
Cash flows from financing activities	—	—	—	—	591	591
Net cash from discontinued operations	—	368	368	24	(935)	(911)
Change in cash, cash equivalents, and restricted cash classified as assets held for sale	—	—	—	—	10	10
Effect of foreign currency exchange rates on cash	—	(29)	(29)	—	32	32
Increase (decrease) in cash, cash equivalents and restricted cash	(79)	(639)	(718)	116	(2,375)	(2,259)
Cash, cash equivalents and restricted cash, beginning of period	527	1,494	2,021	411	3,869	4,280
Cash, cash equivalents and restricted cash, end of period	\$ 448	\$ 855	\$ 1,303	\$ 527	\$ 1,494	\$ 2,021

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

The reconciliations of net income (loss) attributable to Caesars to Adjusted EBITDA for quarter and year ended December 31, 2022 are as follows:

<i>(In millions)</i>	Three Months Ended December 31, 2022			Year Ended December 31, 2022		
	CRC	Other Operations, Eliminations	CEI Consolidated	CRC	Other Operations, Eliminations	CEI Consolidated
Net income (loss) attributable to Caesars	\$ 53	\$ (201)	\$ (148)	\$ 367	\$ (1,266)	\$ (899)
Net income (loss) attributable to noncontrolling interests	1	(15)	(14)	2	(13)	(11)
Net loss from discontinued operations	—	—	—	2	384	386
(Benefit) provision for income taxes	(25)	31	6	29	(70)	(41)
Other (income) loss	—	7	7	(24)	(22)	(46)
Loss on extinguishment of debt	52	—	52	85	—	85
Interest expense	402	183	585	1,586	679	2,265
Depreciation and amortization	226	69	295	897	308	1,205
Impairment charges	30	78	108	30	78	108
Transaction costs and other	26	16	42	73	17	90
Stock-based compensation expense	24	—	24	101	—	101
Adjusted EBITDA	\$ 789	\$ 168	\$ 957	\$ 3,148	\$ 95	\$ 3,243