

Risk Factors Comparison 2025-02-25 to 2024-02-27 Form: 10-K

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The risks described below are not the only risks facing us. Please be aware that additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also materially and adversely affect our business operations. You should also refer to the other information contained in our periodic reports, including the Forward- Looking Statements section, our consolidated financial statements and the related notes and Management’ s Discussion and Analysis of Financial Condition and Results of Operations for a further discussion of the risks, uncertainties and assumptions relating to our business. Except where the context otherwise indicates, references below to the “ Company, ” “ we, ” “ our, ” “ ours ” and “ us ” include all of our subsidiaries. Risk Factors Summary The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below. Risks Relating to Economic and Current Conditions Impacting us and our Business • Failure to successfully execute on our strategy could negatively impact our results of operations, cash flows and financial information. • Our future results of operations may be negatively impacted by slow growth or declines in the replacement cycle of gaming machines and by the slow growth of new gaming jurisdictions or slow addition of casinos in existing jurisdictions. • We have foreign operations which expose us to business and legal risks, including compliance with anti-corruption laws, and a portion of our revenue and expenses are denominated in British Pounds Sterling, Australian Dollars and Euros, which subjects us to foreign currency exchange rate fluctuations and other risks. • Unfavorable U. S. and international economic conditions, decreased discretionary spending, travel or operational disruptions due to other factors such as inflation, rising benchmark interest rates, potential trade tariffs, terrorist activity or threat thereof, armed conflicts or hostilities, civil unrest, health epidemics, contagious disease outbreaks, or public perception thereof, other economic or political uncertainties, or other events beyond our control have adversely affected and may in the future adversely affect our business, results of operations, cash flows and financial condition. • SciPlay becoming a wholly- owned subsidiary of the Company subjects us to a number of risks and uncertainties, including whether it will yield additional value for our stockholders and adversely impact our business, financial results, results of operations, cash flows or stock price. • Public perception of the Company’ s response to ESG issues could adversely affect our reputation, our customer base and business and financial results. • The effects of health epidemics, contagious disease outbreaks and public perception thereof, have impacted and, in the future, could impact our operations and, should negative impacts such as significant negative player engagement develop, adversely affect and continue to adversely affect our operations, business, results of operations, cash flows and financial condition. Risks Relating to our Business and our Industries • We operate in highly competitive industries, and our success depends on our ability to effectively compete with numerous domestic and foreign businesses. • Our success depends upon our ability to adapt to, and offer products and services that keep pace with, changing technology and evolving industry standards. • We invest significant resources in our R & D efforts, which may not lead to successful or commercially viable new technologies, services or products. • Our success depends on our ability to produce new and innovative products and services that respond to customer demand and create strong and sustained player appeal. Risks Relating to our Capital Structure • Our level of indebtedness could adversely affect our results of operations, cash flows and financial condition. • We may not have sufficient cash flows from operating activities to service all of our indebtedness and other obligations, and may be forced to take other actions to satisfy our obligations, which may not be successful. • Agreements governing our indebtedness impose certain restrictions that may affect our ability to operate our business. Failure to comply with any of these restrictions could result in the acceleration of the maturity of our indebtedness and require us to make payments on our indebtedness. Were this to occur, we would not have sufficient cash to pay our accelerated indebtedness. • We may not have sufficient cash flows from operating activities, cash on hand and available borrowings under our credit facilities to finance required capital expenditures under new contracts and meet our other cash needs or satisfy our minimum liquidity covenant. These obligations require a significant amount of cash, which would reduce our available liquidity. • Our secondary listing of the Company’ s common stock on the Australian Securities Exchange could lead to price variations and other impacts on holders of our common stock. • **The Company is considering a dual primary listing on both the NASDAQ and the ASX or sole primary listing on the ASX, meaning we may choose to delist our securities from NASDAQ, which could negatively affect the liquidity and trading prices of our common stock, and could result in a decline in stock prices and could limit investors’ ability to trade in our securities.** • We may incur significant costs as a result of being publicly traded in the United States and Australia. Risks Relating to our Technology • Our success depends on the security and integrity of the systems and products we offer, and security breaches, including cybersecurity breaches, or other disruptions could compromise our information or the information of our customers and expose us to liability, which would cause our business and reputation to suffer. • Our business depends on the protection of our intellectual property and proprietary information. • We rely on the ability to use the intellectual property rights of third parties. Risks Relating to Legal, Political or Other Regulatory Factors • We and our industries are subject to strict government regulations that may limit our existing operations, have an adverse impact on our ability to grow and affect our license eligibility or expose us to fines or other penalties. • Legislative interpretation and enforcement of certain gaming activities could adversely affect financial performance and reputation. • We may not be able to capitalize on the expansion of ~~internet~~ Internet or other forms of digital gaming or other trends and changes in the industries in which we operate, including due to laws and regulations governing these industries. • Changes in tax laws or tax rulings, or the examination of our tax positions could materially affect our financial condition and results of operations. General Risks • We have incurred, and may continue to incur, restructuring costs, the benefits of which are

unpredictable and may not be achieved. • We may incur additional impairment charges. • We depend on our key employees and rely on skilled employees with creative and technical backgrounds. You should carefully consider the following risks and other information in this Annual Report on Form 10- K in evaluating us and our common stock. The risk factors generally are separated into six groups: risks relating to economic and current conditions impacting us and our business, risks relating to our capital structure, risks relating to our business and our industries, risks relating to our technology, risks relating to legal, political and other regulatory factors, and general risk factors. We ~~are continue to executing~~ **execute** on our strategy to become the leading, cross- platform global games company (more fully described in in Part I, Item 1 above). ~~Jointly with our strategy, in May 2023, our common stock was listed as CDIs on the ASX, and in October 2023, we acquired the publicly held shares in SciPlay, making it our wholly- owned subsidiary.~~ Successful execution on our strategy may present unexpected challenges and uncertainties. We may incur integration and optimization expenses to execute and facilitate our strategies. Our business strategy is to invest in great content and franchises across land- based ~~-, and~~ **digital and mobile** platforms, expand in high- growth markets, enable a seamless player experience with innovative platforms, leverage and maximize cash flow to fuel investment and be driven by high- performing talent and culture. Our strategy is focused upon growth including growing our digital revenue mix and pursuit of acquisitions supportive of our strategic goals. For additional information on risks related to our acquisition strategy, see the risk factor captioned “ Our inability to complete acquisitions and integrate those businesses successfully could limit our growth or disrupt our plans and operations. ” If we are not successful in accomplishing each component of our new business strategy, we may suffer negative impacts on our results of operations, cash flows and financial condition. Additionally, the success of our new brand and name will be integral in allowing our new strategy and business focus to be successful. Developing and maintaining awareness of our Company and our brand is important to attracting new and existing customers to our products. The importance of brand recognition will increase as competition in our industry intensifies. Successful promotion of our brand will depend on the effectiveness of our marketing efforts. Although we plan to invest substantial resources to promote our brand, there is no guarantee that we will be able to achieve or maintain brand name recognition or status under the new brand that is comparable to the recognition and status previously enjoyed under our former brand. Even if our brand recognition and loyalty increases, this may not result in increased revenue and profitability. For these reasons, our rebranding initiative may not produce the benefits expected, could adversely affect our ability to retain and attract customers, and may have a material adverse effect on our results of operations, cash flows and financial condition. Demand for our Gaming products and services is driven by the replacement of existing gaming machines in existing casinos, the establishment of new jurisdictions, the opening of additional casinos in existing jurisdictions and the expansion of existing casinos. Slow growth or declines in the replacement cycle of gaming machines have historically reduced and could again reduce the demand for our products and negatively impact our results of operations, cash flows and financial condition, and have resulted and could continue to result in material inventory charges, which could increase our cost of products and decrease our gross margin. We have previously recorded charges related to inventory due to disruptions impacting future demand and reassessment of our product strategy. Our inventory charges incurred in the normal course of operations were \$ 14 million, \$ **14 million and \$ 5 million and \$ 12 million** for the years ended December 31, **2024, 2023** ~~-, and 2022 and 2021~~, respectively. The opening of new casinos, expansion of existing casinos and replacement of existing gaming machines in existing casinos fluctuate with demand, economic conditions, regulatory approvals and the availability of financing. Originally these had been negatively affected by the COVID- 19 pandemic. While those negative effects have abated, there is still potential for negative effects of other potential health epidemics or contagious disease outbreaks. In addition, the expansion of gaming into new jurisdictions can be a protracted process. In the U. S., U. K. and other international jurisdictions in which we operate, governments usually require a public referendum and legislative action before establishing or expanding gaming. Any of these factors could delay, restrict or prohibit the expansion of our business and negatively impact our results of operations, cash flows and financial condition. We are a global business and derive a substantial portion of our revenue from operations outside of the U. S. For the year ended December 31, ~~2023~~ **2024**, we derived approximately ~~33~~ **35** % of our revenue from sales to customers outside of the U. S. Our consolidated financial results are affected by currency exchange rate fluctuations. We are exposed to currency exchange rate fluctuations because portions of our revenue and expenses are denominated in currencies other than the U. S. dollar, particularly the British Pound Sterling, the Euro and the Australian dollar. Such fluctuations may arise from inflation, government debt or other causes. Exchange rate fluctuations have in the past adversely affected our results of operations, cash flows and financial condition and may adversely affect our results of operations, cash flows and financial condition and the value of our assets outside the U. S. in the future. If a foreign currency is devalued in a jurisdiction in which we are paid in such currency, we may require our customers to pay higher amounts for our products, which they may be unable or unwilling to pay. This uncertainty could have a material adverse effect on our foreign operations. In addition, if such events occurred, the financial and capital markets within and outside Europe could constrict and negatively impact our ability to finance our business. Such events could also cause a substantial reduction in consumer confidence and spending that could negatively impact our customers and our business. Our operations in foreign jurisdictions subject us to additional risks customarily associated with such operations, including: the complexity of foreign laws, regulations and markets; the uncertainty of enforcement of remedies in foreign jurisdictions; the impact of foreign labor laws and disputes; the ability to attract and retain key personnel in foreign jurisdictions; the economic, tax and regulatory policies of local governments; compliance with applicable anti- money laundering, anti- bribery and anti - corruption laws, including the Foreign Corrupt Practices Act, U. K. Bribery Act and other anti - corruption laws that generally prohibit us and our agents from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business; compliance with applicable sanctions regimes regarding dealings with certain persons or countries; import and export restrictions and other trade barriers, including imposition of tariffs; and increased trade tensions between countries or political and economic unions. Certain of these laws also contain provisions that require accurate record keeping and further require companies to devise and maintain an adequate system of internal

accounting controls. Although we have policies and controls in place that are designed to ensure compliance with these laws, if those controls are ineffective or an employee or intermediary fails to comply with the applicable regulations, we may be subject to criminal and civil sanctions and other penalties. Any such violation could disrupt our business and adversely affect our reputation, results of operations, cash flows and financial condition. In addition, our international business operations could be interrupted and negatively affected by terrorist activity, political unrest or other economic or political uncertainties. Moreover, U. S. and foreign jurisdictions could impose tariffs, quotas, trade barriers and other similar restrictions on our international sales. For example, in 2018 the U. S. announced certain trade actions under Section 232, ~~and Section 301~~ of the Trade Expansion Act of 1962, **and Section 301 of the Trade Act of 1974**, including tariff increases on several imported products. These U. S. tariffs, along with other U. S. trade actions, have triggered retaliatory actions by certain affected countries, such as the People's Republic of China ("PRC"). **The President has begun** ~~In January 2020, the United States and the PRC signed a limited trade deal in which the PRC agreed to purchase more products~~ **impose significant tariffs on goods imported from China and the other countries** ~~U. S. in exchange for a reduction in planned and existing tariffs~~. Given the uncertainty regarding the scope and duration of these trade actions by the U. S. and other countries, and trade negotiations between the U. S. and the PRC, we cannot predict whether, or to what extent, tariffs and other trade restrictions may be imposed on or otherwise become applicable to our product offerings or supply chain, and the impact of these trade actions on our business remains uncertain. While tariffs and other trade actions by the U. S. and other countries have not yet had a significant impact on our business and we are implementing measures to limit the impact of tariffs on our cost structure, we cannot predict further developments. Tariffs and other trade actions could result in increases in our cost of doing business and in the sale prices of certain of our products and could negatively impact demand for our products, which could materially adversely affect our results of operations, cash flows and financial conditions. Further, our ability to expand successfully in foreign jurisdictions involves other risks, including difficulties in integrating foreign operations, risks associated with entering jurisdictions in which we may have little experience and the day - to - day management of a growing and increasingly geographically diverse company. We may not realize the operating efficiencies, competitive advantages or financial results that we anticipate from our investments in foreign jurisdictions, and our failure to effectively manage the risks associated with our operations in foreign jurisdictions could have a material adverse effect on our business prospects, results of operations, cash flows and financial condition. Unfavorable economic conditions, including recession, inflation, rising benchmark interest rates, economic slowdown, decreased liquidity in the financial markets, decreased availability of credit, relatively high rates of unemployment and inflation, have had, and may continue to have, a negative effect on our business. Socio- political factors such as terrorist activity or threat thereof, armed conflicts or hostilities, civil unrest or other economic or political uncertainties, or health epidemics, contagious disease outbreaks, or public perception thereof, or other events beyond our control that contribute to consumer unease **have resulted, and may also continue to result**, in decreased discretionary spending or travel by consumers and have **had, any may continue to have**, a negative effect on our businesses. Such factors out of our control may also have effects beyond discretionary spending or travel, such as disruptions to our operations and productivity, which could also have a negative effect on our businesses. Prolonged or more severe economic weakness, particularly from inflation, rising interest rates, and foreign currency volatility, could materially adversely impact our business, including causing our expected expenses to increase materially. We cannot fully predict the effects that unfavorable social, political and economic conditions, economic uncertainties and public health crises and any resulting decrease in discretionary spending or travel would have on us, as they would be expected to impact our customers, suppliers, employees, consultants and business partners in varied ways. In our Gaming business, especially our Participation gaming business, our revenue is largely driven by players' disposable incomes and level of gaming activity which may be reduced by unfavorable economic conditions. A further or extended decline in disposable income may result in reduced play levels on our Participation gaming machines, causing our results of operations and cash flows from these products to decline. Additionally, higher travel and other costs may adversely affect the number of players visiting our customers' casinos. Adverse changes in discretionary consumer spending or consumer preferences, resulting in fewer patrons visiting casinos and reduced play levels, could also be driven by factors such as an unstable job market, outbreaks of contagious diseases or public perception thereof or fears of terrorism or other violence. A decline in play levels has negatively impacted the results of operations, cash flows and financial condition of our casino customers and their ability to purchase or lease our products and services. Unfavorable economic conditions have also impacted, and could continue to impact, the ability of our Gaming customers to make timely payments to us. These conditions, and the concentration of certain outstanding Gaming segment receivables, may increase our collection risks and materially impact our estimate of receivables allowance for credit losses. In addition, unfavorable economic conditions have caused, and may cause in the future, some of our Gaming customers to temporarily close gaming venues or ultimately declare bankruptcy, which adversely affects our business. Consistent with other suppliers in the gaming industry, our Gaming business offers extended payment term financing for gaming machine purchases, and we expect to continue to provide extended payment term financing in this business until demand from our customers for such financings abates or our business model changes. These financing arrangements may increase our collection risk, and if customers are not able to pay us, whether as a result of financial difficulties, bankruptcy or otherwise, we may incur provisions for bad debt related to our inability to collect certain receivables. In addition, both extended payment term financing and operating leases result in a delay in our receipt of cash, which reduces our cash balance, liquidity and financial flexibility to respond to changing economic events. Unfavorable economic conditions may also result in volatility in the credit and equity markets. The difficulty or inability of our customers to generate or obtain adequate levels of capital to finance their ongoing operations may reduce their ability to purchase our products and services. Refer to Note ~~7~~**6** for international locations with significant concentrations of our receivables with terms longer than one year. In our iGaming business based on a Participation model, our revenue is largely driven by disposable incomes and level of player activity. Unfavorable economic conditions have previously reduced and may later reduce the disposable incomes of end users consuming the services, which could negatively

impact revenues for the iGaming business. Suppliers to our iGaming business may suffer financial difficulties and may not be able to offer their services and products, which could restrict the provision of our services and negatively impact our revenues. Various gambling regulators have implemented additional responsible and safer gambling measures relating to online casinos, including the implementation of bet limits, spin speeds, deposit limits and bonusing, which could negatively impact our revenues, particularly if additional gambling regulators follow suit or additional measures are introduced. In our SciPlay business, while we maintain offices in the U. S., we have employees and consultants operating in foreign jurisdictions, including Israel, Turkey and Ukraine. In the foreign jurisdictions in which SciPlay operates, conditions such as political instability, terrorist activity or threat thereof, armed conflicts or hostilities and civil unrest could adversely affect our business and results of operations. For example, political, economic and military conditions in Israel, including acts of terrorism, war or other armed conflicts, which have impacted our employees and operations in Israel, could in the future cause business interruptions or other spillover effects that could materially adversely affect SciPlay's business and results of operations. Additionally, in our Gaming business, we monitor for any potential disruptions in our supply chain, such as those due to health epidemics, contagious disease outbreaks, or public perception thereof, terrorist activity or threat thereof, armed conflicts or hostilities, civil unrest or other economic or political uncertainties, or other events beyond our control, and we may be required to increase our inventory positions when deemed necessary to mitigate any expected or unexpected delays and fulfill customer orders timely. The current conflict in Israel has delayed passage of supplier vessels through the Red Sea and could require us to increase our inventory positions and / or could result in higher holding and freight costs, which could adversely impact our operations and / or gross margin. There are ongoing concerns regarding the debt burden of certain countries, particularly in Europe and South America, and their ability to meet their future financial obligations, which have resulted in downgrades of the debt ratings for these countries. We currently operate in, and our growth strategy may involve pursuing expansion or business opportunities in certain of these jurisdictions, such as Argentina, Brazil, Greece, Italy, Puerto Rico, Turkey and Ukraine among others. These sovereign debt concerns, whether real or perceived, could result in a recession, prolonged economic slowdown, or otherwise negatively impact the general health and stability of the economies in these countries or more broadly. In more severe cases, this could result in a limitation on the availability or flow of capital, thereby restricting our liquidity and negatively impacting our results of operations, cash flows and financial condition. Companies across all industries are facing increasing scrutiny from customers, clients, regulators, investors, and other stakeholders related to their ESG practices and disclosure. Unfavorable perception regarding our environmental policies, social initiatives, governance practices, diversity initiatives, the perceived or actual impacts of our games on user well- being, the actions of companies that provide similar products to ours, or other growing concerns of our stakeholders, could adversely affect our reputation. Any negative effect on our reputation could have an adverse effect on the size, engagement and loyalty of our customer base, which could adversely affect our business and financial results. Additionally, we are subject to changing rules and regulations promulgated by a number of governmental and self- regulatory organizations, including the SEC, the Nasdaq Stock Market, the Australian Securities and Investment Commission and the FASB. These rules and regulations continue to evolve in scope and complexity, making compliance difficult and uncertain. Additionally, we or our suppliers may become subject to new laws enacted with regards to climate change and other environmental issues. If new laws are enacted, or current laws are modified in countries in which we or our suppliers operate, we could face increased costs to comply with these laws. The outbreak of a novel strain of coronavirus, COVID- 19, and public perception thereof, had contributed to consumer unease and led to decreased discretionary spending and consumer travel, which, in turn, had a negative effect on us, especially in our Gaming business. Other future health epidemics or contagious disease outbreaks could do the same. We cannot predict the ultimate effects that the outbreak of COVID- 19, any resulting unfavorable social, political and economic conditions and decrease in discretionary spending or travel would have on us, as they would be expected to impact our customers, suppliers and business partners in varied ways in different communities. In our Gaming business, especially our Participation gaming, SciPlay business segment and iGaming business segment, our revenue is largely driven by players' disposable incomes and level of gaming activity. The outbreak of COVID- 19 led to economic and financial uncertainty for many consumers and reduced, and may continue to reduce or maintain at low amounts, the disposable incomes of players across all of our business units. This resulted in fewer patrons visiting casinos, whether land- based or online, and lower amounts spent per casino visit. Various gambling regulators have implemented additional responsible and safer gambling measures relating to our iGaming casino business including the implementation of bet limits, spin speeds, deposit limits and bonusing, which could negatively impact our operations, business, results of operations, cash flows or financial condition, particularly if additional gambling regulators follow suit. The extent to which future health epidemics, contagious disease outbreaks and public perception thereof further impacts our results of operations, cash flows and financial condition will depend on future developments, which are highly uncertain and unpredictable. Our Gaming business faces significant competition, not only from traditional gaming suppliers, but also from a number of other domestic and foreign providers, some of which have substantially greater financial resources and / or experience than we do. In some cases, we compete against gaming operators, including illegal or unregulated operators. Additionally, we face competition from smaller gaming companies that have established certain competitive products in recent years and are able to focus their resources on developing a smaller number of high- performing products. We compete on the basis of the content, features, quality, functionality, accuracy, reliability, price and financing terms of our products and services, and the responsiveness of our services. If we do not consistently deliver popular, high- quality games in a timely manner, or if consumers prefer competing products, our business might suffer. Consumer preferences for games are usually cyclical and difficult to predict, and even the most successful content remains popular for only limited periods of time, unless refreshed with new content or otherwise enhanced. In order to remain competitive, we must continuously develop new products or enhancements to our existing products. These products or enhancements may not be well- received by consumers, even if well- reviewed and of high quality. Further, competitors may develop content that imitates or competes with our best- selling games, potentially taking sales away from them or reducing our

ability to charge the same prices we have historically charged for our products. We have experienced pricing pressures in the past, including over the past three years. These competing products may take a larger share of consumer spending than anticipated, which could cause product sales to fall below expectations. We also compete based on the extent of our sales, service, marketing and distribution channels. We on occasion provide extended payment term financing for product purchases or to certain concentrations of customers. We have also offered customers discounts and other offers and modified pricing and other contractual terms in connection with the sale or placement of our products and services. Our competitors may provide a greater amount of financing or better offers and terms than we do, and this may impact demand for our Gaming products and services. We cannot assure that competitive pressure will not cause us to increase the incentives that we offer to our customers or agree to modify contractual terms in ways that are unfavorable to us, which could adversely impact our results of operations, cash flows and financial condition. We also compete to obtain space and favorable placement on casino gaming floors, and some of our product lines may compete against each other for this space. Consolidation of casino and other operators, increased competition among operators and reductions in capital expenditures by operators have significantly increased the level of competition among gaming suppliers and may do so in the future. Casino operators focus on performance, longevity, player appeal and price when making their purchasing decisions. Competitors with a larger installed base of gaming machines and more game themes than ours may have an advantage in obtaining and retaining placements in casinos. Our Shufflers also compete against hand shuffling, which remains the most competitive shuffling option for casino card games around the world. We also face high levels of competition in the supply of products and services for newly legalized gaming jurisdictions and for openings of new or expanded casinos. Our success depends on our ability to successfully enter new markets and compete successfully for new business. SciPlay, which includes social casino games and from which we derive substantially all of our SciPlay revenue, is a rapidly evolving industry with low barriers to entry. Businesses can easily launch online or on mobile platforms and applications at nominal cost by using commercially available software or partnering with various established companies in these markets. The market for our games is also characterized by rapid technological developments, frequent launches of new games and features, changes in player needs and behavior, disruption by innovative entrants and evolving business models and industry standards. As a result, our industry is constantly changing games and business models in order to adopt and optimize new technologies, increase cost efficiency and adapt to player preferences. Successful execution of our strategy depends on our continuous ability to attract and retain players, adapt to the emergence of new mobile hardware or operating systems, expand the market for our games, maintain a technological edge and offer new capabilities to players. We also compete with social gaming companies, including those that offer social casino games such as Playtika, Playstudios, Product Madness / Big Fish Games (subsidiaries of Aristocrat), DoubleU Games Co., Ltd / Double Down Interactive, GSN Games / Bash Gaming (subsidiaries of Scopely, Inc.), AppLovin Corporation and Huuuge Games, some of which have no connection to regulated real money gaming, and many of those companies have a base of existing players that is larger than ours. In some cases, we compete against real money gaming operators who have expanded their games to include social casino games and have in the past leveraged their land-based gaming relationship with us to license social casino game content from us. In those cases, customers of such real money gaming operators may choose to play our content as it is offered by the operator and not as it is offered by our social casino games, detrimentally impacting our results. Some of our current and potential competitors enjoy substantial competitive advantages, such as greater name recognition, longer operating histories, local language capabilities, greater financial, technical, and other resources and, in some cases, the ability to rapidly combine online platforms with traditional staffing and contingent worker solutions. These companies may use these advantages to develop different platforms and services to compete with our games, spend more on advertising and brand marketing, invest more in research and development or respond more quickly and effectively than we do to new or changing opportunities, technologies, standards, regulatory conditions or player preferences or requirements. As a result, our players may decide to stop playing our games or switch to our competitors' games. Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others, including our current or future third-party suppliers. By doing so, these competitors may increase their ability to meet the needs of existing or prospective freelancers and players. These developments could limit our ability to obtain revenue from existing and new buyers. If we are unable to compete effectively, successfully and at reasonable cost against our existing and future competitors, our results of operations, cash flows and financial condition could be adversely impacted. We offer players regular free play and frequent discounts for purchases of coins, chips or cards to ~~extend~~ **enhance game** play in connection with our social casino gaming business. We cannot assure that competitive pressure will not cause us to increase the incentives that we offer to our players, which could adversely impact our results of operations, cash flows and financial condition. Our iGaming business is also subject to significant competition. Our iGaming business focuses on the supply of game content to online casino operators, and there are a number of competitors in that industry, including from illegal or unregulated operators. We cannot assure that we will be successful in offering our technology, content and services to digital gaming operators as we expect to face intense competition from our traditional competitors in the iGaming industry and a number of other domestic and foreign providers (or, in some cases, the operators themselves), some of which have substantially greater financial resources and / or experience in this area than we do. In addition, there is a risk that the authorization of the provision of gaming offerings via interactive channels in a particular jurisdiction could, under certain circumstances, adversely impact our Gaming offerings through traditional channels in such jurisdiction. Any such adverse impact would be magnified to the extent we are not involved in, and generating revenue from, the provision of iGaming products or services in such jurisdiction. In order to stay competitive in our iGaming business, we will need to continue to create, source and market game content that attracts players and invest in new and emerging technologies. Some of our competitors may be more willing to provide ~~internet~~ **Internet** wagering in countries where the relevant laws and regulations are unclear or not uniformly enforced, putting us at a competitive disadvantage if we do not provide services related to ~~internet~~ **Internet** wagering in such countries. Our ability to anticipate or respond to changing

technology and evolving industry standards and to develop and introduce new and enhanced products and services, including, but not limited to, gaming content, gaming machines, CMSs, table products and digital gaming products and services, on a timely basis or at all is a significant factor affecting our ability to remain competitive, retain existing contracts or business and expand and attract new customers and players. We cannot assure that we will achieve the necessary technological advances or have the financial resources needed to introduce new products or services on a timely basis or at all. Rules governing new technological developments, such as developments in generative artificial intelligence (“ AI ”), remain unsettled, and these developments may affect aspects of our existing business model, including how we create our gaming products. **We have evaluated the risks AI poses to our business and instituted an internal AI policy with which our business teams are required to comply**. Introducing new and innovative products and services requires us to adapt and refine our manufacturing, operations and delivery capabilities to meet the needs of our product innovation. If we cannot efficiently adapt our manufacturing infrastructure to meet the needs associated with our product innovations, or if we are unable to develop products or upgrade our production capacity in a timely manner, our business could be negatively impacted. In the past, we have experienced delays in launching new products and services due to the complex or innovative technologies embedded in our products and services. Such delays can adversely impact our results of operations, cash flows and financial condition. We have invested, and intend to make future investments of, significant resources in R & D efforts. We invest in a number of areas, including product development for game and system - based hardware, software and game content. In addition, because of the sophistication of our newer products and the resources committed to their development, they are generally more expensive to produce and, for SciPlay and iGaming technologies, to maintain. If our new services and products do not gain market acceptance or the increase in the average selling price of these new products is not proportionate to the increase in production cost, in each case as compared to our prior products, or if the average cost of production does not go down over time, whether by reason of long- term customer acceptance, or if we are unable to successfully execute on our cross- platform strategy, our ability to find greater efficiencies in the manufacturing process as we refine our production capabilities or a general decrease in the cost of the technology, our margins will suffer and could negatively impact our business, results of operations, cash flows and financial condition. We cannot assure that our investment in R & D will lead to successful new technologies or products. If a new service or product is not successful, we may not recover our development, regulatory approval or promotion costs. Our success depends upon our ability to respond to dynamic customer demand by producing new and innovative products and services. The process of developing new products and services is inherently complex and uncertain. If we fail to accurately anticipate customer needs and end user preferences through the development of new products and services, we could lose business to our competitors, which would adversely affect our results of operations, cash flows and financial condition. Our businesses develop and source game content both internally and through third - party suppliers. We also seek to secure third - party brands for incorporation into our game content. We believe that creative and appealing game content produces more revenue for our gaming machine customers and provides them with a competitive advantage, which in turn enhances our revenue and our ability to attract new business and to retain existing business. We cannot assure that we will be able to sustain the success of our existing game content or effectively develop or obtain from third parties game content or licensed brands that will be widely accepted both by our customers and players. Our success also depends on creating products and services with strong and sustained player appeal. We are under continuous pressure to anticipate player reactions to, and acceptance of, our new products, avoid declining play levels on our leased gaming machines and continue to provide successful products that generate a high level of play. In some cases, a new game or gaming machine will only be accepted by our casino or digital gaming customers if we can demonstrate that it is likely to produce more revenue and Net win and / or has more player appeal than our existing products and services or our competitors’ products and services. WAP, premium and daily fee Participation gaming machines are replaced on short notice by casino operators if they do not meet and sustain revenue and profitability expectations. Customers may cancel pending orders with us if our products are not performing to expectations at other casinos. In addition, the social gaming landscape is rapidly evolving and is characterized by major fluctuations in the popularity of social products and platforms, such as the dramatic increase in the popularity of mobile platforms. We may be unable to develop products at a rate necessary to respond to these changes, or at all, or that anticipate the interests of social players. Likewise, our SciPlay offerings operate largely through Facebook, Google, Apple, Amazon and Microsoft platforms. If alternative platforms increase in popularity, we could be adversely impacted if we fail to timely create compatible versions of our products. Competition is intense in the digital and social gaming landscape. The increased importance of digital content delivery in our industry increases the potential competition in our SciPlay and iGaming businesses, as the minimum capital needed to produce and publish a digitally delivered game, particularly a new game for mobile platforms, may be significantly less than that needed to produce and publish one that is purchased through retail distribution. As more competitors enter the market, our operating results may be negatively impacted. Our growth strategy might include our pursuit of strategic acquisitions. Our ability to succeed in implementing our acquisition strategy will depend to some degree upon our ability to identify and complete commercially viable acquisitions, including multiple acquisitions carried out simultaneously and in short time frames. We cannot assure that acquisition opportunities will be available on acceptable terms or at all, or that we will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. We may not be able to successfully integrate any businesses that we acquire or do so within the intended timeframes. We could face significant challenges in managing and integrating our acquisitions and our combined operations, including acquired assets, operations and personnel. Our recent acquisition of the remaining approximately 17 % equity interest in SciPlay not already owned by us pursuant to the SciPlay Merger has required us to take certain actions to appropriately integrate into our operations in compliance with the terms of the merger agreement. In addition, the expected cost synergies or any other anticipated benefits associated with such acquisitions may not be fully realized in the anticipated amounts or within the contemplated timeframes or cost expectations, which could result in increased costs and have an adverse effect on our prospects, results of operations, cash flows and financial condition.

We expect to incur incremental costs and capital expenditures related to our contemplated integration activities. Acquisition transactions may disrupt our ongoing business. The integration of acquisitions requires significant time and focus from management and may divert attention from the day - to - day operations of the combined business or delay the achievement of our strategic objectives. **The acquisition of Grover Charitable Gaming subjects us to a number of risks and uncertainties, including lack of assurance regarding the timing of completion of the transaction, whether it will yield additional value for our stockholders and whether it will adversely impact our business, financial results, results of operations, cash flows or stock price. On February 17, 2025, we entered into a purchase agreement with Grover Gaming, Inc. and G2 Gaming, Inc. (together, “ Grover Gaming ”) to acquire certain assets and assume certain liabilities constituting Grover Gaming’s charitable business for an upfront consideration of \$ 850 million, subject to certain customary purchase price adjustments as set forth in the purchase agreement, and up to \$ 200 million in cash in the aggregate in the form of contingent acquisition consideration payments over a four- year period based on achievement of certain revenue and business expansion metrics. The proposed Grover Charitable Gaming acquisition exposes us to a number of risks and uncertainties, including the possibility that the conditions to the completion of the proposed Grover Charitable Gaming acquisition, including the receipt of regulatory and gaming approvals, may not be satisfied; that a material adverse change, event or occurrence may affect the Company and Grover Charitable Gaming prior to the closing of the proposed Grover Charitable Gaming acquisition and may delay the proposed transaction or cause the companies to abandon the proposed transaction; that significant expenses associated with the review, pursuit and consummation of the proposed Grover Charitable Gaming acquisition will be incurred; that the proposed Grover Charitable Gaming acquisition may involve unexpected costs, liabilities or delays, including as a result of increased exposure to potential litigation; that the businesses of the Company and Grover Charitable Gaming may suffer as a result of uncertainty surrounding the proposed Grover Charitable Gaming acquisition; that management’s time will be diverted to the processes associated with evaluating and consummating the proposed Grover Charitable Gaming acquisition; that the Company will have difficulties in attracting, retaining or motivating key management personnel of Grover Charitable Gaming; that disruptions from the proposed Grover Charitable Gaming acquisition will harm relationships with customers, employees and suppliers; and that the Company may be unable to achieve the expected financial, operational and strategic benefits of the proposed Grover Charitable Gaming acquisition and may not be able to successfully integrate the Grover Charitable Gaming charitable business into the Company’s operations. Any of these factors could disrupt our business and could have a material adverse effect on our business, financial condition, results of operations, cash flows or stock price. There can be no assurance that the proposed Grover Charitable Gaming acquisition will provide greater value to our stockholders than that reflected in our current stock price. The proposed Grover Charitable Gaming acquisition and its anticipated benefits are dependent upon a number of factors that are beyond our control, including among other factors, market conditions, industry trends, regulatory developments, litigation and the interest of third parties in this business.** We depend on our suppliers and contract manufacturers, and any failure of these parties to meet our performance and quality standards or requirements could cause us to incur additional costs or lose customers. Our operating results could be adversely affected by an interruption or cessation in the supply of these items or a serious quality assurance lapse, including as a result of the insolvency of any of our key suppliers. Similarly, the manufacture and maintenance of our gaming machines and gaming systems are dependent upon a regular and continuous supply of raw materials and components, many of which are manufactured or produced outside of the U. S. Certain of the components we use are customized for our products. The assembly of certain of our products and other hardware is performed by third parties. Any interruption or cessation in the supply of these items or services or any material quality assurance lapse with respect thereto could materially adversely affect our ability to fulfill customer orders, results of operations, cash flows and financial condition. We may be unable to find adequate replacements for our suppliers within a reasonable time frame, on favorable commercial terms or at all. The impact of the foregoing may be magnified as we continue to seek to streamline our gaming supply chain by reducing the number of our suppliers. Further, manufacturing costs may unexpectedly increase and we may not be able to successfully recover any or all of such cost increases. Additionally, in 2021, we experienced pressures on the supply chain related to parts sourcing, which contributed to approximately \$ 5 million of inventory obsolescence charge. Because of the use of certain shared parts in some of our gaming machines in both old and new cabinets, supply chain pressures on availability of these parts may require us to re-allocate shared parts, rendering further units obsolete if such conditions sustain for an extended period of time. In all of our businesses, we rely upon a number of significant third- party suppliers and vendors delivering parts, equipment and services on schedule in order for us to meet our contractual commitments. Furthermore, we outsource the manufacturing of certain of our sub- assemblies to third parties in the U. S., Europe, Central America and Asia. The willingness of such third parties to provide their services to us may be affected by various factors. Changes in law or regulation in any jurisdiction in which we operate may make the provision of key services to us unlawful in such jurisdictions. To the extent that third parties are unwilling or unable to provide services to us, this may have an adverse impact on our operations, financial performance and prospects. Failure of these third parties to meet their delivery commitments could result in us being in breach of, and subsequently losing, the affected customer orders, which loss could have a material adverse effect on our results of operations, cash flows and financial condition. We rely on network and / or telecommunications services for certain of our products. For instance, any disruption to our network or telecommunications could impact our linked or networked games, which could reduce our revenue. In our SciPlay and iGaming businesses, we often rely on third- party data center providers to, among other things, host our remote game servers. Our SciPlay and iGaming businesses could be adversely impacted by breaches of or disruptions to these third- party data centers, including through disruptions in our RMG business, potential service level penalties with respect to our customers, reputational harm, the disclosure of proprietary information or the information of our customers or the theft of our or our customers assets, and to the extent any such data center provider was unable or unwilling to continue to provide services to us. In

certain regions, we enter into agreements with local distributors for the distribution of our land-based gaming products to one or more customers. Changes to these distributor relationships, including modification or termination of our agreements or difficulties with any such distributor could prevent us from delivering products or services to our customers on a timely basis, or at all, and could negatively impact our business. Our SciPlay business largely depends upon our relationships with key third-party platform providers, who we rely on to make our games available to players and to collect revenue, and changes in those relationships could negatively impact our SciPlay business. In our SciPlay business, our social gaming offerings operate largely through Apple, Google, Facebook and Amazon, which also serve as significant online distribution platforms for our games, and some of our games are also available on the Microsoft platform. Substantially all A majority of our SciPlay revenue was generated by players using those platforms. Consequently, our expansion and prospects of our SciPlay offerings depend on our continued relationships with these providers, and any emerging platform providers that are widely adopted by our target player base. We are subject to the standard terms and conditions that these platform providers have for application developers, which govern the promotion, distribution and operation of games and other applications on their platforms, and which the platform providers can change unilaterally on short or without notice. Version updates, such as Apple's iOS 14.5 update in April 2021, which included changes to its AppTracking Transparency policy, now require user permission before developers can track a user across apps and websites owned by other companies or access a user's device's identifier for advertisers ("IDFA"), which has reduced the quantity and quality of data available to us. This change has particularly impacted SciPlay's strategy for the games produced by its subsidiary Alictus, with Alictus having begun preparing its games primarily for Google's Android platform. Google's planned Google advertising identification deprecation, expected in 2024 or thereafter, may further impact SciPlay strategy. These changes could, among other things, have a detrimental impact on our ability to conduct targeted advertising on platforms, increase the cost to obtain new users and impact the return on investment of advertising spend. The impact of these changes has been a catalyst for SciPlay to explore, and continue to engage with, traditional media, expanded relationships with social media influencers and other innovative marketing solutions. Our SciPlay business will also be adversely impacted if we are unable to continue these relationships in the future or if the terms and conditions offered by these providers are altered to our disadvantage. For instance, if any of these providers were to increase their fees, our results of operations, cash flows and financial condition would suffer. Additionally, our SciPlay business would be harmed if: • these platform providers discontinue or limit our access to their platforms; • governments or private parties, such as internet-Internet providers, impose bandwidth restrictions or increase charges or restrict or prohibit access to those platforms; • these platforms decline in popularity; • these platforms modify their current discovery mechanisms, communication channels available to developers, respective terms of service or other policies, including fees; • these platforms impose restrictions or make it more difficult for players to buy coins, chips and cards; or • these platforms change how the personal information of players is made available to developers or develop their own competitive offerings. If alternative platforms increase in popularity, we could be adversely impacted if we fail to create compatible versions of our games in a timely manner, or if we fail to establish a relationship with such alternative platforms. Likewise, if our platform providers alter their operating platforms, we could be adversely impacted as our offerings may not be compatible with the altered platforms or may require significant and costly modifications in order to become compatible. If our platform providers were to develop competitive offerings, either on their own or in cooperation with one or more competitors, our growth prospects could be negatively impacted. If our platform providers do not perform their obligations in accordance with our platform agreements, we could be adversely impacted. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their features that permit our players to purchase coins, chips and cards, and these events may occur again. Circumstances such as platform software updates, platform system changes or general outages may impair our players' ability to access their previously acquired coins, chips and cards and purchase additional coins, chips and cards. We attempt to work with our internal publishing and developer partners to resolve such events timely. However, if such events recur on a prolonged basis or other similar issues arise that impact players' ability to download our games, access social features or purchase coins, chips and cards, it could have a material adverse effect on our revenue, operating results and brand. SciPlay launched a proprietary direct-to-consumer in-app purchase platform during 2023, with the goals of improving players' experience and reducing costs of revenue. While this provides those benefits and mitigates some of the risks from using third-party platforms described above, it also creates some of its own risks, such as required platform maintenance, adverse policies or terms implemented by third-party platforms due to the increased popularity of SciPlay's direct-to-consumer platform, potential external bandwidth restrictions and potential for outages including dependencies on third-party suppliers, all of which could have a material adverse effect on our revenue, operating results and brand. Our future results of operations may be negatively impacted by ownership changes and consolidation in the gaming industry, including by casino operators and suppliers. As repeat customers represent a substantial part of our Gaming business revenue, our business, results of operations, cash flow and financial condition could be negatively affected if our casino customers are sold to or merge with other entities. Such entities may purchase more products and services from our competitors, reduce spending on our products or cause downward pricing pressures. Consolidation among casino operators could result in order cancellations or a slowing in the replacement cycle for existing gaming machines, or could require our current customers to purchase our competitors' products, any of which could negatively impact our Gaming business. Our results of operations fluctuate due to seasonality and other factors and, therefore, our periodic operating results are not guarantees of future performance. Our results of operations can fluctuate due to seasonal trends and other factors. Sales of our gaming machines to casinos are generally strongest in the second half of the year and slowest in the first half of the year, while revenue from our Participation gaming machines is generally highest in the spring and summer. Player activity for SciPlay is generally slower in the second and third quarters of the year, particularly during the summer months. Player activity for our iGaming business, specifically digital casino operators, is generally slower in the third quarter during the summer months and is generally higher in the fourth quarter. Certain other

seasonal trends and factors that may cause our results to fluctuate include: the geographies where we operate; holiday and vacation seasons; climate and weather; economic and political conditions; timing of the release of new products; significant equipment sales or the introduction of gaming activities in new jurisdictions or to new customers; and other factors. In light of the foregoing, results for any quarter are not necessarily indicative of the results that may be achieved in another quarter or for the full fiscal year. We cannot assure that the seasonal trends and other factors that have impacted our historical results will repeat in future periods as we cannot influence or forecast many of these factors. Changes in, or the elimination of, our share repurchase program could have an adverse effect on the price of our common stock. As part of our capital allocation strategy, our Board of Directors has authorized a share repurchase program under which the Company is authorized to repurchase, from time to time, through ~~February 25, 2025~~ **June 12, 2025-2027**, up to an aggregate amount of \$ ~~750 million~~ **1.0 billion** of our outstanding stock. Decisions regarding share repurchases are within the discretion of the Board of Directors and can be influenced by a number of factors, including the price of our common stock, general business and economic conditions and our financial condition and operating results and may be suspended or discontinued at any time. Even if fully implemented, our share repurchase program may not enhance long-term stockholder value. Changes in, or the elimination of, our share repurchase program could have an adverse effect on the price of our common stock. For more information on our share repurchase program, refer to Note ~~17-16~~. We have a history of significant indebtedness. As of December 31, ~~2023~~ **2024**, we had total indebtedness of \$ 3.9 billion, net of unamortized discounts and deferred financing costs, consisting primarily of borrowings under the LNWI Credit Agreement, and Senior Notes. As of December 31, ~~2023~~ **2024**, our total available liquidity was \$ ~~936 million~~ **2 billion**, which included \$ 740 million of undrawn availability under the LNWI Revolver. **On February 10, 2025, we amended the LNWI Credit Agreement which provides for new revolving commitments of \$ 1.0 billion, replacing the existing revolving commitments of \$ 750 million, and extends the maturity of the revolving commitments. See Note 14 for further details.** Our level of indebtedness could affect our ability to obtain financing or refinance existing indebtedness; require us to dedicate a significant portion of our cash flow from operations to interest and principal payments on our indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures and other general corporate purposes; increase our vulnerability to adverse general economic, industry or competitive developments or conditions; and limit our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate or in pursuing our strategic objectives. In addition, we are exposed to the risk of higher interest rates as a significant portion of our borrowings are at variable rates of interest. If interest rates continue to increase, the interest payment obligations under our non-hedged variable rate indebtedness would increase even if the amount borrowed remained the same, and our results of operations, cash flows and financial condition would be negatively impacted. All of these factors became more severe given the unfavorable economic conditions and uncertainties and decrease in discretionary spending and consumer travel as a result of rising inflation and could place us at a competitive disadvantage compared to competitors that may have less debt than we do. We may not have sufficient cash flows from operating activities, to service all of our indebtedness and other obligations, and may be forced to take other actions to satisfy our obligations, which may not be successful. Our ability to make payments on and to refinance our indebtedness and other obligations depends on our results of operations, cash flows and financial condition, which in turn are subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness and our other obligations. We are required to make scheduled payments of principal on the term loans borrowed under our credit facilities, and our credit facilities require that a portion of our excess cash flow be applied to prepay amounts borrowed under our credit facilities. We are also required to repay the entire principal amount of our Senior Notes at their maturity (see Note ~~15-14~~). We have also, from time to time, repurchased or otherwise retired or refinanced our debt, through our subsidiaries or otherwise and may continue to do so in the future. Such activities, if any, will depend on prevailing market conditions, contractual restrictions and other factors, and the amounts involved may or may not be material. If we need to refinance all or part of our indebtedness at or before maturity, we cannot assure that we will be able to obtain new financing or to refinance any of our indebtedness on commercially reasonable terms or at all. Our lenders, including the lenders participating in the LNWI Revolver under the LNWI Credit Agreement, may become insolvent or tighten their lending standards, which could make it more difficult for us to borrow under the LNWI Revolver or to obtain other financing on favorable terms or at all. Our results of operations, cash flows and financial condition would be adversely affected if we were unable to draw funds under the LNWI Revolver because of a lender default or to obtain other cost-effective financing. Any default by a lender in its obligation to fund its commitment under the LNWI Revolver (or its participation in letters of credit) could limit our liquidity to the extent of the defaulting lender's commitment. If we are unable to generate sufficient cash flow in the future to meet our commitments, we will be required to adopt one or more alternatives, such as refinancing or restructuring our indebtedness, selling material assets or operations or seeking to raise additional debt or equity capital. We cannot assure that any of these actions could be completed on a timely basis or on satisfactory terms or at all, or that these actions would enable us to continue to satisfy our capital requirements. Moreover, our existing debt agreements contain, and our future debt agreements may contain, restrictive covenants that may prohibit us from adopting these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debt. Agreements governing our indebtedness, including the LNWI Credit Agreement and the indentures governing our Senior Notes, impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities that may adversely affect our ability to finance future operations or capital needs or to engage in new business activities. Subject to certain exceptions, our credit facilities and / or indentures restrict our ability to, among other things: • declare dividends or redeem or repurchase capital stock; • prepay, redeem or purchase other debt; • incur liens; • make loans, guarantees, acquisitions and investments; • incur additional indebtedness; • engage in sale and leaseback transactions; • amend or otherwise alter debt and other material agreements; • engage in mergers, acquisitions or asset sales; • engage in transactions with affiliates; • enter into

arrangements that would prohibit us from granting liens or restrict our subsidiaries' ability to pay dividends, make loans or transfer assets; and • alter the business we conduct. ~~In connection with the April 2022 Refinancing, we entered into the LNWI Credit Agreement.~~ The LNWI Credit Agreement contains a covenant that is tested at the end of each fiscal quarter and requires us to not exceed a maximum Consolidated Net First Lien Leverage Ratio (as defined in the LNWI Credit Agreement) of 4.50x Consolidated EBITDA (as defined in the LNWI Credit Agreement); provided that such Consolidated Net First Lien Leverage Ratio is only tested if the aggregate revolving extensions of credit (excluding certain letters of credit) exceeds 30 % of the aggregate revolving commitments under the LNWI Credit Agreement. Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants. Accordingly, we cannot assure that we will continue to maintain liquidity sufficient to satisfy our current obligations or comply with the Consolidated Net First Lien Leverage Ratio covenant set forth in the LNWI Credit Agreement. We also cannot assure that we will be granted waivers or amendments to the agreements governing our indebtedness if for any reason we are unable to comply with these obligations or that we will be able to refinance our debt on terms acceptable to us, or at all. Our Gaming operations business generally requires significant upfront capital expenditures for gaming machine, software customization and implementation, systems and equipment installation and telecommunications configuration. In connection with a Gaming operations contract, our customers often obtain new gaming machines, which may require additional capital expenditures in order to fulfill the contract. Historically, we have funded these upfront cash outflows through cash flows generated from operations, available cash on hand and borrowings under our credit facilities. Our ability to generate revenue and to continue to procure new contracts will depend on, among other things, our then present liquidity levels or our ability to obtain additional financing on commercially reasonable terms. If we do not have adequate liquidity or are unable to obtain financing for these upfront cash outflows and other cash needs on favorable terms or at all, we may not be able to fulfill certain contracts, which could result in our losing business or restrict our ability to grow, which could have a material adverse effect on our results of operations, cash flows and financial condition. Moreover, we may not realize the return on investment that we anticipate on such contracts due to a variety of factors, including lower than anticipated retail sales or amounts wagered, higher than anticipated capital or operating expenses and unanticipated regulatory developments or litigation. We may not have adequate liquidity to pursue other aspects of our strategy, including bringing our products and services to new customers or new or underpenetrated geographies or pursuing strategic acquisitions. In the event we pursue significant acquisitions or other expansion opportunities, conduct significant repurchases of our outstanding securities, or refinance or repay existing debt, we may need to raise additional capital either through the public or private issuance of equity or debt securities or through additional borrowings under our existing financing arrangements, which sources of funds may not necessarily be available on terms acceptable to us, if at all, especially under the current unfavorable economic conditions. Under LNWI's Credit Agreement we currently have restrictions on our ability to incur indebtedness and liens, make restricted payments and investments and prepay junior indebtedness, subject to certain exceptions. On May 22, 2023 (AEST), our common stock was listed as CDIs on the ASX and commenced active trading under the ASX code "LNWI," in addition to our existing primary listing on The Nasdaq Stock Market ("Nasdaq"). Dual listing may result in price variations between our securities listed on the different exchanges due to a number of factors, including that our common stock listed on the Nasdaq is traded in U. S. dollars and any CDIs listed on the ASX are traded in Australian Dollars, volatility in the exchange rate of the two currencies and differences between the vacation schedules, trading schedules and time zones of the two exchanges, among other factors. A decrease in the price of our securities in one market may result in a decrease in the price of our securities in the other market. Dual listing also presents us with the opportunity to raise additional funds through the issuance of CDIs, which could cause dilution to existing stockholders. **The Company remains focused on enhancing the liquidity and market capitalization of its ASX listing and is considering a dual primary listing on both the NASDAQ and the ASX or a sole primary listing on the ASX. The Company has engaged advisors to evaluate potential strategies to achieve this objective. While no final decision has been made, should we ultimately make the decision to voluntarily delist from NASDAQ, such actions could result in a decrease in disclosure about the Company, impact our access to the capital markets and decrease the liquidity and trading prices of our common stock (even though stockholders may still continue to trade our common stock on an over-the-counter ("OTC") market).** On October 23, 2023, we acquired the remaining approximately 17 % equity interest in SciPlay not already owned by us pursuant to the SciPlay Merger in an all-cash transaction for \$ 496 million, excluding transaction fees and expenses. SciPlay becoming a wholly-owned subsidiary of the Company exposes us to a number of risks and uncertainties, including that L & W may be unable to achieve the expected operational, strategic and financial benefits of the SciPlay Merger; difficulties in retaining or motivating key management personnel of SciPlay; and exposure to potential litigation. Any of these factors could disrupt our business and could have a material adverse effect on our business, financial condition, results of operations, cash flows or stock price. Our common stock is publicly traded in both the United States and Australia, which causes us to incur significant legal, accounting, insurance and other expenses related to compliance with applicable regulations. To meet the challenges posed by being publicly traded in the United States and Australia, our management and other key personnel devote significant time and effort on compliance initiatives. Our compliance efforts increase our legal and financial costs and could require our personnel to devote greater time to ensure compliance with the relevant rules and regulations in both jurisdictions. In addition, our failure to successfully satisfy our obligations could subject us to delisting of our common stock, fines, sanctions, and other regulatory action and potentially civil litigation. Moreover, to comply with the ASX Listing Rules, we have policies and procedures that we believe are designed to successfully satisfy our obligations under the ASX Listing Rules. Failure or inability to follow these procedures and policies, or they are not sufficient to prevent non-compliance, could subject us to liability, fines and lawsuits. We intend to invest resources to comply with evolving laws, regulations and standards, which could result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If, notwithstanding our efforts to comply with new laws, regulations and standards, we fail to comply, regulatory actions against us could harm our

business. We believe that our success depends, in large part, on providing secure products, services and systems to our customers, and on our ability to avoid, detect, replicate and correct software and hardware anomalies and fraudulent manipulation of our products and services. Our businesses sometimes involve the storage, processing and transmission of players' proprietary, confidential and personal information. We also maintain certain other proprietary and confidential information relating to our business and personal information of our personnel. All of our products and services are designed with security features to prevent fraudulent activity. However, we cannot guarantee that these security features will effectively stop all fraudulent activities. Despite our security measures, our products, services and systems are vulnerable to attacks by hackers, customers, retailers, vendors or employees and could be breached due to malfeasance or other disruptions. Any security breach or incident that we experience **, or that our third- party vendors and service providers or our customers experience,** could result in unauthorized access to, misuse of, or unauthorized acquisition of our or our players' data, the loss, corruption or alteration of this data, interruptions in our operations, or damage to our computers or systems or those of our players or third-party platforms. Any of these could expose us to claims, litigation, fines and potential liability. Our ability to prevent anomalies and monitor and ensure the quality and integrity of our products and services is periodically reviewed and enhanced, but may not be sufficient to prevent future attacks, breaches or disruptions. Similarly, we regularly assess the adequacy of our security systems, including the security of our games and software, to protect against any material loss to any of our customers and our players, as well as the integrity of our products and services to end users and the integrity of our games to players. We develop and maintain an information security program to identify and mitigate cyber risks, but the development and maintenance of this program is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Accordingly, expanded use of the ~~internet~~ **Internet** and other interactive technologies may result in increased security risks for us and our customers. We cannot assure that our business or a business we acquire will not be or has not been affected by fraudulent activities or a security breach or lapse, which could have a material adverse impact on our results of operations, cash flows and financial condition. Online transactions may be subject to sophisticated schemes to defraud, launder money or other illegal activities. There is a risk that our products or systems may be used for those purposes by our customers' players. There is also a risk that we will be subject to fraudulent activities by our employees. In addition, our gaming machines have experienced anomalies and fraudulent manipulation in the past **, and may experience anomalies and fraudulent manipulation in the future** . Games and gaming machines may be replaced by casinos and other gaming machine operators if they do not perform according to expectations, or they may be shut down by regulators. The occurrence of anomalies in, or fraudulent manipulation of, our gaming machines or our other products and services (including our SciPlay and iGaming products and services) **has given, and may again give, rise to claims from players or customers ; has led, and may again lead, to claims for lost revenue and profits and related litigation by our customers ; and has subjected, and may again subject,** us to investigation or other action by regulatory authorities, including suspension or revocation of our licenses or other disciplinary action. Additionally, in the event of the occurrence of any such issues with our products and services, substantial engineering and marketing resources may be diverted from other projects to correct these issues, which may delay other projects and the achievement of our strategic objectives. An increasing number of online services have disclosed security breaches, some of which have involved sophisticated and highly targeted attacks on portions of their services. If our information or cybersecurity systems or data are compromised ~~in a material way~~, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished. If personal information of our customers or employees is misappropriated, our reputation with our customers and employees may be damaged resulting in loss of business or morale. The gaming industry, specifically, has been, and could remain, a common target of cyber- attacks. We, and the gaming industry as a whole, expect to face continued attempts to gain unauthorized access to or through our information systems, including cyber- attacks by computer programmers and hackers who may develop and deploy malicious software programs to gain access to our users' information. These attacks could target our information systems as well as those of our business partners, employees, service providers, or other third parties. To date, attacks in the gaming industry have not had a material impact on our operations or financial results. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not foreseeable or recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security, or the security of a business we acquire, occurs, public perception of the effectiveness of our security measures and brand, or the security measures and brand of a business we acquire, could be harmed, and we could lose players. Data security breaches and other data security incidents may also result from non- technical means, for example, actions by employees or contractors. Any compromise of our security, **the security of our third- party vendors and service providers, the security of our customers** or the security of a business we acquire, could result in a violation of applicable privacy and other laws, regulatory or other governmental investigations, enforcement actions, and legal and financial exposure, including potential contractual liability that is not always limited to the amounts covered by our insurance. Any such compromise could also result in damage to our reputation and a loss of confidence in our security measures. Any of these effects could have a material adverse impact on our results of operations, cash flows and financial condition. We believe that our success depends, in part, on protecting our intellectual property in the U. S. and in foreign countries. Our intellectual property includes certain patents, trademarks and copyrights relating to our products and services (including gaming machines, digital gaming products, table games, shufflers and accessories, and gaming systems), and proprietary or confidential information that is not subject to patent or similar protection. Our success may depend, in part, on our ability to obtain protection for the trademarks, trade dress, names, logos or symbols under which we market our products and to obtain and maintain copyright and patent protection for our proprietary technologies, designs, software and innovations. We cannot assure that we will be able to build and maintain consumer value in our trademarks, obtain patent, trademark or copyright protection or that any patent, trademark or copyright will provide us with competitive advantages. In particular, the U. S. Supreme Court recently tightened the standard for patent

eligibility of software patents. Despite revised U. S. Patent and Trademark Office guidelines in 2019, similar decisions in the future may negatively impact the validity or enforceability of certain of our patents, our ability to protect our inventions, innovations and new technology and the value of our substantial patent portfolio. Under a patent cross-licensing agreement with IGT, which relates to technology that is used in substantially all of our gaming machines, we can offer games using patented game features from the patent portfolios of other members of IGT's slot game features program, and such members can likewise offer games using patented game features from our patent portfolio. This arrangement may diminish the competitive advantage our slot games may derive from our patents. Our intellectual property protects the integrity of our games, systems, products and services. Competitors may independently develop similar or superior products, software or systems, which could negatively impact our results of operations, cash flows and financial condition. In cases where our technology or product is not protected by enforceable intellectual property rights, such independent development may result in a significant diminution in the value of such technology or product. We also rely on trade secrets and proprietary knowledge. We enter into confidentiality agreements with our employees and independent contractors regarding our trade secrets and proprietary information, but we cannot assure that the obligation to maintain the confidentiality of our trade secrets and proprietary information will be honored. We are currently making, and in the future may make, claims of infringement, invalidity or enforceability against third parties. For example, with the emergence of digital gaming, we have increased enforcement against parties that infringe our intellectual property. This enforcement could: • cause us to incur greater costs and expenses in the protection of our intellectual property; • potentially negatively impact our intellectual property rights; • cause one or more of our patents, trademarks, copyrights or other intellectual property interests to be ruled or rendered unenforceable or invalid; or • divert management's attention and our resources. In addition, the availability of certain legal protections for intellectual property generated by new technologies, such as generative AI, is uncertain. Successful challenges to our rights in intellectual property may result in increased costs for obtaining rights or the loss of the opportunity to earn revenue from or utilize the intellectual property that is the subject of challenged rights. We rely on products, technologies and intellectual property that we license from third parties, including from our competitors, for use in our Gaming, SciPlay and iGaming businesses. Substantially all of our gaming machines and portions of our SciPlay and iGaming offerings and services use intellectual property licensed from third parties. 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 these third - party licenses, or support for such licensed products and technologies, will continue to be available to us on commercially reasonable terms, if at all. In the event that we cannot renew and / or expand existing licenses, we may be required to discontinue or limit our use of the products that include or incorporate the licensed intellectual property. Some of our license agreements contain minimum guaranteed royalty payments to the third party. If we are unable to generate sufficient revenue to offset the minimum guaranteed royalty payments, it could have a material adverse effect on our results of operations, cash flows and financial condition. Our license agreements typically contain restrictions on our ability to use or transfer the licensed rights in connection with certain strategic transactions. Certain of our license agreements grant the licensor rights to audit our use of the licensor's intellectual property. Disputes with licensors over uses or terms could result in the payment of additional royalties or penalties by us, cancellation or non - renewal of the underlying license or litigation. The regulatory review process and licensing requirements also may preclude us from using technologies owned or developed by third parties if those parties are unwilling to subject themselves to regulatory review or do not meet regulatory requirements. Some gaming authorities require gaming manufacturers to obtain approval before engaging in certain transactions, such as acquisitions, mergers, reorganizations, financings, stock offerings and share repurchases. Obtaining such approvals can be costly and time consuming, and we cannot assure that such approvals will be granted or that the approval process will not result in delays or disruptions to our strategic objectives. We rely on information technology and other systems, and any failures in our systems or errors, defects or disruptions in our products and services could diminish our brand and reputation, subject us to liability and have disrupted and could disrupt our business and adversely impact our results. We rely on information technology systems that are important to the operation of our business, some of which are managed by third parties. These third parties are typically under no obligation to renew agreements and there is no guarantee that we will be able to renew these agreements on commercially reasonable terms, or at all. These systems are used to process, transmit and store electronic information, to manage and support our business operations and to maintain internal control over our financial reporting. In addition, we collect and store certain data, including proprietary business information, and may have access to confidential or personal information in certain of our businesses that is subject to privacy and security laws, regulations and customer-imposed controls. We could encounter difficulties in developing **or implementing** new systems, maintaining and upgrading current systems and preventing security breaches. Among other things, our systems **, including those managed by third parties,** are **potentially** susceptible to damage, outages, disruptions or shutdowns due to fire, floods, power loss, break - ins, cyber - attacks, network penetration, denial of service attacks and similar events. While we have and will continue to implement information security measures and data protection safeguards, our servers and other computer systems are **potentially** vulnerable to any number of threats, including viruses, ransomware, malicious software, hacking, break - ins or theft, data privacy or security breaches, third - party security breaches, employee error or malfeasance and similar events. Failures in our systems or services or unauthorized access to or tampering with our systems and databases **, including those managed by third parties,** could have a material adverse effect on our business, reputation, results of operations, cash flows and financial condition. Any failures in our computer systems or telecommunications services could affect our ability to operate our linked games or otherwise conduct business. A meaningful portion of our SciPlay and iGaming gaming traffic is hosted by third- party data centers, such as Amazon Web Services, CONTINENT 8 and CLARANET. Such third parties provide us with computing and storage capacity, and are under no obligation to renew the agreements related to these services with us on commercially reasonable terms or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our data center operators is acquired, we may be required to transfer our servers and other infrastructure to new data center facilities and we may incur significant

costs and possible lengthy service interruptions in connection with doing so, potentially causing harm to our reputation. If a game is unavailable or operates more slowly than anticipated when a player attempts to access it, that player may stop playing the game and be less likely to return to the game. Portions of our information technology infrastructure, including those operated by third parties, have and may again experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time- consuming, disruptive and resource- intensive. We have no control over third parties that provide services to us and those parties could suffer problems or make decisions adverse to our business. We have contingency plans in place to prevent or mitigate the impact of these events. However, such disruptions could materially and adversely impact our ability to deliver products or services to customers and interrupt other processes. For example, in 2019-2024, the cybersecurity company CrowdStrike caused a widespread outage content delivery tool Flash was deprecated by its manufacturer Adobe, resulting in player friction and disruptions in delivering and exposure to cybersecurity threats and / our- or SciPlay disruptions for us and iGaming many others that use their services to our customers. If our information systems do not allow us to transmit accurate information, even for a short period of time, to key decision makers, the our ability to manage our business could be disrupted and our results of operations, cash flows and financial condition could be materially and adversely affected. Failure to properly or adequately address these issues could impact our ability to perform necessary business operations, which could materially and adversely affect our reputation, competitive position, results of operations, cash flows and financial condition. L & W currently makes limited use of AI technology. However, we expect that both our and our third parties' use of AI will increase over time. Failures within the single or compound AIs used could potentially impact our ability to perform necessary business operations, which could materially and adversely affect our reputation, competitive position, results of operations, cash flows and financial condition. Several of our products and services rely on data transferred over the internet-Internet. Access to the internet-Internet in a timely fashion is necessary to provide a satisfactory user experience to the consumers of our products. Third parties, such as telecommunications companies, could prevent access to the internet-Internet or limit the speed of our data transmissions, with or without reason, causing an adverse impact on our user experience that may materially and adversely affect our reputation, competitive position, results of operations, cash flows and financial condition. In addition, telecommunications companies may implement certain measures, such as increased cost or restrictions based on the type or amount of data transmitted, that would impact consumers' ability to access our products, which could materially and adversely affect our reputation, competitive position, results of operations, cash flows and financial condition. Furthermore, internet-Internet penetration may be adversely affected by difficult global economic conditions or the cancellation of government programs to expand broadband access. If we, our third- party vendors or service providers, our customers or a company we acquire sustains cyber- attacks or other privacy or data security incidents that result in security breaches, we could suffer a loss of sales and increased costs, exposure to significant liability, reputational harm, regulatory fines or punishment and other negative consequences. Our information technology systems and infrastructure are subject to cyber- attacks from many vectors, including but not limited to viruses, ransomware, malicious software, break- ins, theft, computer hacking, employee error or malfeasance or other security breaches. Hackers and data thieves are increasingly sophisticated and operate large- scale and complex automated attacks. The gaming industry, specifically, has been, and could remain, a heightened target of cyber- attacks. Threats to our information technology systems and infrastructure include: • experienced computer programmers and hackers who are able to penetrate our security controls and misappropriate or compromise sensitive personal, proprietary or confidential information, create system disruptions or cause shutdowns or who are able to develop and deploy malicious software programs that attack our systems or otherwise exploit any security vulnerabilities; • security incidents, acts of vandalism or theft, coordinated attacks by activist entities, misplaced or lost data, human errors or other similar events that could negatively affect our systems and the data stored on those systems, and the data of our business partners; and • third parties, such as hosted solution providers, that provide services to us, are also a source of security risk in the event of a failure of their own security systems and infrastructure. The costs to eliminate or address the foregoing security threats and vulnerabilities before or after a cyber incident could be significant. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service, and loss of existing or potential suppliers or customers. In addition, breaches of our security measures and the unauthorized dissemination of sensitive personal, proprietary or confidential information about us, our business partners or other third parties could expose us to significant potential liability and reputational harm. We have made, and will continue to make, significant investments in the protection of our systems, networks and intellectual property. We conduct a program of continuous self- evaluation and improvement as we seek to mitigate cyber risk. However, as threats related to cyber- attacks develop and grow, we may also find it necessary to make further investments to protect our data and infrastructure, which may impact our results of operations. Although we have insurance coverage for protecting against damages resulting from cyber- attacks, it may not be sufficient to cover all possible claims, and we may suffer losses that could have a material adverse effect on our business. Our insurance coverage for protecting against damages resulting from cyber- attacks does not cover incidents which occur at companies we acquire after such cyber- attack. Any successful cyber- attack or breach of our cybersecurity measures, or those of our service providers or other third parties, could violate various privacy, data protection, data security, network and information systems security and other laws, resulting in legal and financial exposure. In addition, such an attack could cause adverse publicity and a loss of confidence in our security measures. If our information or cybersecurity systems or data are compromised in a material way, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished. As a global enterprise, we could also be negatively impacted by existing and proposed U. S. and non- U. S. laws and regulations, and government policies and practices related to cybersecurity, data privacy, data localization and data protection. In addition, our customers may encourage, or require, compliance with certain security standards, such as the voluntary cybersecurity framework released by the National Institute of

Standards and Technology (“NIST”), which consists of controls designed to identify and manage cyber- security risks, and we could be negatively impacted to the extent we are unable to meet such standards. The intellectual property rights of others, **including our competitors**, may prevent us from developing new products and services, entering new markets or may expose us to liability or costly litigation. Our success depends in part on our ability to continually adapt our products and systems to incorporate new technologies and to expand into markets that may be created by new technologies. If technologies are protected by the intellectual property rights of our competitors or other third parties, we may be prevented from introducing products based on these technologies or expanding into markets created by these technologies. If the intellectual property rights of others prevent us from taking advantage of innovative technologies, our prospects, results of operations, cash flows and financial condition may be adversely affected. We cannot assure that our business activities, games, products, services and systems will not infringe upon the proprietary rights of others, or that other parties will not assert infringement claims against us. In addition to infringement claims, third parties may allege claims of invalidity or unenforceability against us or against our licensees or manufacturers in connection with their use of our technology. A successful challenge to, or invalidation of, one of our intellectual property interests, a successful claim of infringement by a third party against us, our products or services, or one of our licensees in connection with the use of our technologies, or an unsuccessful claim of infringement made by us against a third party or its products or services could adversely affect our business or cause us financial harm. Any such claim and any resulting litigation, ~~should it occur~~ **such as the Dragon Train litigation described under “Aristocrat Matters” in Note 19**, could: • be expensive and time- consuming to defend or require us to pay significant amounts in damages; • invalidate our proprietary rights; • cause us to cease making, licensing or using products or services that incorporate the challenged intellectual property; • require us to redesign, reengineer or rebrand our products or services or limit our ability to bring new products and services to the market in the future; • require us to enter into costly or burdensome royalty, licensing or settlement agreements in order to obtain or retain the right to use a product, process or component; • impact the commercial viability of the products and services that are the subject of the claim during the pendency of such claim ; • **impact our brand, reputation and / or ability to attract and retain key personnel**; and / or • require us by way of injunction to remove products or services on lease or stop selling or leasing new products or services. Failure of our technological blocking systems could result in violations of laws or regulations and have a material adverse effect on our operations, financial performance and prospects. There is no guarantee that the technical blocks we implement and which our customers implement will be effective. These systems and controls are intended to ensure that our customers do not accept bets from end- users located in those jurisdictions where we have made a decision not to offer all or certain of our products and services. Any failure of such systems and controls may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource, and, in particular if successful, reputational implications, and implications on our ability to retain, renew or expand our portfolio of licenses, and so have a material adverse effect on our operations, financial performance and prospects. Moreover, there is an additional, ongoing risk that the current list of jurisdictions from which our customers and the Company must block access is enlarged, as there is a possibility that regulators who grant licenses to customers and / or the Company will require the blocking of specific additional jurisdictions. Similarly, jurisdictions may update their laws or regulations in such a way as to render the supply of gaming services into that jurisdiction legally or commercially unsustainable. In all such circumstances, additional blocking activity may have a detrimental effect on our financial position. If we are unable to successfully implement our global enterprise resource planning system conversion, it could disrupt our business or have a material adverse effect on our results of operations, cash flows and financial condition. We are engaged in a multi- year conversion from certain legacy enterprise resource planning (“ERP”) systems to our primary global ERP system. The ERP system is designed to accurately maintain our books and records and provide information on our operations to management. Our ERP system migration will continue to require significant investment of human and financial resources. There are inherent risks associated with upgrading or changing systems, including inaccurate data or reporting. The process of upgrading and standardizing our ERP system is complex, time — consuming and expensive. Although we believe we are taking appropriate action to mitigate these risks through, among other things, testing, training and staging implementations, we cannot assure that we will not experience data loss, disruptions, delays or negative business impacts from the upgrades. Any operational disruptions during the course of this process and any delays or deficiencies in the design and implementation of the new ERP system or in the performance of our legacy systems could materially and adversely affect our ability to operate our businesses. Additionally, while we have spent considerable efforts to plan and budget for the implementation of the new ERP system, changes in scope, timeline or cost could have a material adverse effect on our results of operations, cash flows and financial condition . **Uncertainty in the development, deployment, and use of AI in our products and services, as well as our business more broadly, could adversely affect our business and reputation We, and third parties on whom we rely, may use AI- enabled or- integrated systems and tools, including generative AI, in our products and for customers, experts, and our workforce. AI continues to be an emerging technology and ineffective or inadequate AI development or application practices by us or third parties could result in unintended consequences. For example, models, including large language models (“LLMs”), underlying AI solutions that we use may be flawed or may be based on biased or insufficient datasets, or datasets of poor quality. In addition, any latency, disruption, or failure in our AI systems or data infrastructure could result in delays or errors in our offerings or operational activities. Developing, testing, and deploying resource- intensive AI solutions may require additional investment and increase our costs. There also may be real or perceived social harm, unfairness, or other impacts to human rights, privacy, employment, or other social issues or outcomes that undermine public confidence in the use and deployment of AI, which could thereby harm our business reputation and erode customer trust. In addition, third parties may deploy AI solutions in a manner that reduces customer demand for our products and services. Any of the foregoing may result in decreased demand for our products and could have a material adverse effect on our business, results of operations, brand, or reputation. The legal and regulatory landscape surrounding AI is rapidly evolving and uncertain including in the areas**

of intellectual property, cybersecurity, privacy, and data protection. For example, there is uncertainty around the validity and enforceability of intellectual property rights related to our use or development of AI tools. Compliance with new or changing laws, regulations, or industry standards related to AI may impose significant operational costs and may limit or foreclose our ability to apply AI technologies in certain use cases. Failure to appropriately respond to this evolving landscape could have a material adverse effect on our results of operations, cash flows, financial condition or brand and reputational harm.

Risks Relating to Legal, Political or Other Regulatory Risks In the U. S. and many other countries, the provision of Gaming, SciPlay and iGaming products and services is subject to extensive and evolving regulation. These regulatory requirements vary from jurisdiction to jurisdiction. Therefore, we are subject to a wide range of complex laws and regulations in the jurisdictions in which we are licensed or operate. Most jurisdictions require that we be licensed, that our key personnel and certain of our security holders be found suitable or be licensed, and that our products be reviewed and approved before placement. Licenses, approvals or findings of suitability may be revoked, suspended or conditioned. If a license, approval or finding of suitability is required by a regulatory authority and we fail to seek or do not receive the necessary approval, license or finding of suitability, or if it is granted and subsequently revoked, then we may be prohibited from providing our products or services for use in the particular jurisdiction. In addition, the loss of a license in one jurisdiction could trigger the loss of a license, or affect our eligibility for a license, in other jurisdictions. We may also become subject to regulation in any new jurisdictions in which we decide to operate in the future, including due to expansion of a customer's operations. Gaming authorities have levied and may levy fines against us or seize certain of our assets if we violate gaming regulations. We cannot assure that we will be able to obtain or maintain the necessary licenses or approvals or that the licensing process will not result in delays or adversely affect our operations. The failure to obtain or retain a required license or approval in any jurisdiction would decrease the geographic areas where we are permitted to operate and generate revenue, may limit our ability to obtain a license in other jurisdictions and may put us at a disadvantage relative to our competitors. We cannot assure that authorities will not seek to restrict our business in their jurisdictions or institute enforcement proceedings against us. We cannot assure that any instituted enforcement proceedings will be favorably resolved, or that such proceedings will not have a material adverse impact on our ability to retain and renew existing licenses or to obtain new licenses in other jurisdictions. Our reputation may also be damaged by any legal or regulatory investigation, regardless of whether or not we are ultimately accused of, or found to have committed, any violation. Often, our games, Gaming product hardware and software and our iGaming RMG must be approved in the jurisdictions in which they are operated, and we cannot assure you that such products or services will be approved in any jurisdiction. Our networked gaming technology requires regulatory approval in gaming jurisdictions prior to the shipment or implementation of any gaming machines, products or services and, although we have received approvals from the jurisdictions in which we currently operate this technology, we cannot assure that we will receive the approvals necessary to offer it in additional gaming jurisdictions. Many of our customers are required to be licensed, and delays in approvals of our customers' operations or expansions may adversely affect our results of operations, cash flows and financial condition. In addition, current regulations in a number of jurisdictions where our customers operate, such as Macau SAR and Singapore, limit the amount of space allocated to our products or limit the amount of new product available to operators to an amount that has been pre-approved by regulators. Substantial changes in any such regulations could adversely affect demand for our products. On April 27, 2023, the U. K. Government published a white paper (a policy paper) setting out its comprehensive package of reform proposals, with many of those proposals subject to further consultation by the U. K. Government or British Gambling Commission. **Following the On February 23, 2024 General Election**, and following its **a number of these consultation consultations have now published responses meaning** that launched on July 26, 2023, the U. K. **reform process is taking shape**. **Secondary legislation** K. Government announced that, from September 2024, it will introduce **introducing statutory maximum stake limits for** online slots stake limits at **£ 2 (those aged 18 to 24) / £ 5 for (those aged 25 and over) was laid before Parliament above and £ 2 for those aged 18 to 24.** Additionally, the U. K. Government has also issued consultations on the **December 10, 2024** and **and is expected to be implemented in the second quarter of** -based liberalization proposals (also closed on October 4, 2023 **2025 . The**) and the statutory levy (closed on December 14, **is expected to be implemented by Summer 2023-2025 . Further**), and responses are also awaited. We also await the British Gambling Commission's response on its recent closed consultations, which are expected in March 2024, and further consultations are **still awaited both pending and expected**. We will continue to monitor the reform proposals and their impact on our iGaming and Gaming business segments and overall business. We and certain of our affiliates, major stockholders (generally persons and entities beneficially owning a specified percentage (typically 5 % or more) of our equity securities), directors, officers and key employees are subject to extensive background investigations and suitability standards in our businesses. For additional details regarding the background investigations, the risk of failure of any such individuals or entities to submit to such background investigations, the significant approval and licensing discretion of regulatory authorities, and the authority granted to these regulatory authorities, see " Government Regulation " in Part I, Item 1 of this Annual Report on Form 10- K and Exhibit 99. 5 " Gaming Regulations. " Our failure, or the failure of any of our major stockholders, directors, officers, key employees, products or technology, to obtain or retain a required license or approval in one jurisdiction could negatively impact our ability (or the ability of any of our major stockholders, directors, officers, key employees, products or technology) to obtain or retain required licenses and approvals in other jurisdictions. In light of these regulations and the potential impact on our business, our amended and restated articles of incorporation and amended and restated bylaws allow for the restriction of stock ownership by persons or entities who fail to comply with informational or other regulatory requirements under applicable gaming laws, who are found unsuitable to hold our stock by gaming authorities, whose stock ownership adversely affects our ability to obtain, maintain, renew or qualify for a license, contract, franchise or other regulatory approval from a gaming authority or a purported transferee of a stockholder who acquires shares made invalid pursuant to our amended and restated articles of incorporation and amended and restated bylaws. The licensing procedures and background investigations of the authorities that regulate our businesses and the restriction in our

amended and restated articles of incorporation and amended and restated bylaws may inhibit potential investors from becoming significant stockholders or inhibit existing stockholders from retaining or increasing their ownership. There are instances where a state in which a Native American tribe conducts Class III gaming activities disagrees with such tribe regarding the regulation of gaming, including the regulation of gaming suppliers. In those instances, we make every effort to comply with both state and tribal regulation and fulfill our contractual obligations. However, there may be and have been situations where any such disagreement impedes or creates uncertainty with respect to our ability to supply gaming products and services to such tribal customer or otherwise negatively impacts our relationship with such customer or gaming regulators. There are additional complexities that may impact disputes or other interactions with Native American tribe customers. For example, Native American tribes generally enjoy sovereign immunity from lawsuits, similar to the sovereign immunity enjoyed by the individual states and the U. S. In addition, certain commercial agreements with Native American tribes are subject to review by regulatory authorities such as the National Indian Gaming Commission, and, among other things, any such review could require substantial modifications to any such agreement we enter into with a Native American tribe customer. Our customers are required to comply with all applicable laws. In addition, we maintain and update a list of jurisdictions where we believe there is legal or regulatory risk associated with remote gaming and require that our customers contractually agree not to offer our games or accept wagers from end users in such jurisdictions. Despite our efforts, we cannot assure you that our customers will remain in compliance with laws or with the terms of their contracts with us or that a breach of any of the foregoing will be identified or cured in a timely manner. We have developed and implemented an internal compliance program in an effort to ensure that we comply with legal requirements imposed in connection with our Gaming, SciPlay and iGaming activities and legal requirements generally applicable to all publicly traded companies. Refer to “ Government Regulation- General ” in Part I, Item 1 of this Annual Report on Form 10- K, for additional details about the compliance program. We cannot assure that such steps will prevent the violation of one or more laws or regulations, or that a violation by us or an employee will not result in the imposition of a monetary fine, suspension or revocation of one or more of our licenses or other penalties. Laws and regulations relating to our SciPlay and iGaming businesses are evolving. For additional discussion regarding risks associated with the evolving regulatory landscape for digital gaming, see the risk factors captioned “ We may not be able to capitalize on the expansion of internet Internet or other forms of digital gaming or other trends and changes in the industries in which we operate, including due to laws and regulations governing these industries ”; “ Legislative interpretation and enforcement of certain gaming activities could adversely affect financial performance and reputation ”; “ Failure of our technological blocking systems could result in violations of laws or regulations and have a material adverse effect on our operations, financial performance and prospects ”; “ Expectations of a shift to regulated digital gaming may not come to fruition ”; “ We may incur additional impairment charges ”; and “ We rely on the ability to use the intellectual property rights of third parties ”; and “ Government Regulation ” in Part I, Item 1 of this Annual Report on Form 10- K. See Exhibit 99. 5 “ Gaming Regulations ” for additional information regarding certain of the regulations that govern our Gaming, SciPlay and iGaming businesses. Some jurisdictions are seeking to regulate gaming; others are seeking to prohibit it. We generate a portion of our operating results through licensing our proprietary software technology and games to enable gaming operators to provide gaming services to customers where such services are dependent on that software and the functionality it provides. Laws and regulations relating to the supply of such services are complex, inconsistent and evolving, and we may be subject to such laws either directly through explicit service provision or indirectly insofar as we have assisted the supply to customers who are themselves subject to such laws. For example, where supply by the Company to the customer is critical to the gaming transaction, there is a risk that a regulator could take direct enforcement action against us. Many jurisdictions have not updated their laws to address the supply of remote gaming, which by its nature may be a multi- jurisdictional activity. Moreover, the legality of such activities and related services is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agents including in relation to determining in which jurisdiction the gaming takes place and therefore which law applies and in relation to regulations being interpreted in unfavorable or unanticipated ways. We monitor legal and regulatory developments in all of our material gaming markets and generally seek to keep abreast of legal and regulatory developments affecting our industries. However, we do not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where we or our customers do business and, therefore, we or our customers may operate in jurisdictions where we may be unaware of the full extent of the legal or regulatory risk. Sometimes we are able to take the additional precautionary step of blocking wagers from jurisdictions where we are aware of material legal or regulatory risk associated with remote gaming. In addition, the Company protects itself through contractual mechanisms with our customers explicitly allowing us to suspend or terminate services if such customers offer our games or accept wagers from end users in certain jurisdictions. Despite the monitoring we have undertaken and the other precautions we take, it is possible that, due to the above factors, such measures are not sufficient and that criminal or regulatory actions could be brought against us or our employees or directors, any or all of which could have a detrimental effect on our financial performance and reputation. Furthermore, actions brought against our customers could also have a detrimental effect on our financial performance or reputation, including if such actions prevent or delay the receipt of revenue from such customers. We participate in the new and evolving digital gaming industries through our SciPlay and iGaming offerings. Part of our strategy is to take advantage of the liberalization of digital gaming, both within the U. S. and internationally. These industries involve significant risks and uncertainties, including legal, business and financial risks. The success of these industries and of our digital gaming products and services may be affected by future developments in social networks, including Facebook, mobile platforms, regulatory developments, data privacy laws and other factors that we are unable to predict and are beyond our control. This fast -changing environment can make it difficult to plan strategically and can provide opportunities for competitors to grow their businesses at our expense. Consequently, our future results of operations, cash flows and financial condition relating to our products and services are difficult to predict and may not grow at the rates we expect, and we cannot assure that these products and services will be successful in the long term. There are still

significant forces working to limit or prohibit digital gaming in the U. S. For additional information regarding proposed laws at the federal or state level, see “ Government Regulation- iGaming ” in Part I, Item 1 of this Annual Report on Form 10- K. The enactment of digital gaming legislation that federalizes significant aspects of the regulation of digital gaming and / or limits the forms of internet-Internet wagering that are permissible at the state or federal level could have an adverse impact on our ability to pursue our digital gaming strategy in the U. S. Internationally, laws relating to digital gaming are evolving, particularly in Europe. For additional information, including steps taken by European governments, the European Commission dropping enforcement actions, and regulatory developments in countries outside Europe and the U. S., regarding how laws relating to digital gaming are evolving internationally, see “ Government Regulation- iGaming ” in Part I, Item 1 of this Annual Report on Form 10- K. We cannot predict the timing, scope or terms of any such state, federal or foreign laws and regulations, or the extent to which any such laws and regulations will facilitate or hinder our interactive strategy. Our business is subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the internet-Internet, and laws and regulations governing data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information and other consumer data. The scope of data privacy and security regulations continues to evolve, and we believe that the adoption of increasingly restrictive regulations in this area is likely within the U. S. and other jurisdictions. Our SciPlay and iGaming businesses are subject to evolving regulations, and the status of any particular jurisdiction may change at any time. The regulatory structure surrounding certain aspects of these businesses is currently in flux in some jurisdictions. See the risk factor captioned “ Gaming opponents persist in their efforts to curtail the expansion of legalized gaming, which, if successful, could limit the growth of our operations ” and “ Government Regulation- SciPlay ” and “ Government Regulation- iGaming ” in Part I, Item 1 of this Annual Report on Form 10- K for additional information on evolving regulations applicable to our SciPlay and iGaming businesses. Know- your- customer and geo- location programs and technologies supplied by third parties are an important aspect of certain internet-Internet and mobile gaming products and services because they confirm certain information with respect to players and prospective players, such as age, identity and location. Payment processing programs and technologies, typically provided by third parties, are also a necessary feature of interactive wagering products and services. These programs and technologies are costly and may have an adverse impact on our results of operations, cash flows and financial condition. Additionally, we cannot assure that products containing these programs and technologies will be available to us on commercially reasonable terms, if at all, or that they will perform accurately or otherwise in accordance with our required specifications. See the SciPlay and iGaming sections in the risk factor captioned “ We operate in highly competitive industries, and our success depends on our ability to effectively compete with numerous domestic and foreign businesses ” for additional information on risks regarding internet-Internet and mobile gaming products and services. The provisions of our bylaws requiring exclusive forum in the Eighth Judicial District Court of Clark County, Nevada for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers. Our bylaws provide that, to the fullest extent permitted by law, and unless we consent in writing to the selection of an alternative forum, the Eighth Judicial District Court of Clark County, Nevada, will be the sole and exclusive forum for any actions, suits or proceedings, whether civil, administrative or investigative or that assert any claim or counterclaim (i) brought in our name or right or on our behalf, (ii) asserting a claim for breach of any fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) arising or asserting a claim arising pursuant to any provision of Nevada Revised Statutes (“ NRS ”), Chapters 78 or 92A or any provision of our articles of incorporation or our bylaws or (iv) asserting a claim governed by the internal affairs doctrine. Our bylaws further provide that, in the event that the Eighth Judicial District Court of Clark County, Nevada does not have jurisdiction over any such action, suit or proceeding, then any other state district court located in the State of Nevada will be the sole and exclusive forum therefor and in the event that no state district court in the State of Nevada has jurisdiction over any such action, suit or proceeding, then a federal court located within the State of Nevada will be the sole and exclusive forum therefor. Application of the choice of forum provisions may be limited in some instances by law. Section 27 of the Exchange Act establishes exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, Section 22 of the Securities Act provides that federal and state courts have concurrent jurisdiction over lawsuits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. To the extent our bylaws restrict the courts in which claims arising under the federal securities laws may be brought, there is uncertainty as to whether a court would enforce such a provision and we note that our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Although we believe these provisions benefit us by providing increased consistency in the application of Nevada law in the types of lawsuits to which they apply, these provisions may have the effect of increasing the costs to bring a claim and limiting a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors and officers, which may discourage lawsuits against us or our directors and officers. The enforceability of similar choice of forum provisions in other companies’ articles of incorporation and bylaws has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our bylaws to be inapplicable or unenforceable in such action. If a court were to find the choice of forum provisions contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition or results of operations. Changes in tax laws or tax rulings, or the examination of our tax positions, could materially affect our financial condition and results of operations. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Our existing corporate structure and intercompany arrangements have been implemented in a manner we believe is in compliance with current prevailing tax laws. However, the tax benefits that we intend to eventually derive could be undermined due to future changes in tax laws. In addition, the taxing authorities in the U. S. and other jurisdictions where we do business regularly examine income and other tax returns and we expect that they may examine our

income and other tax returns. The ultimate outcome of these examinations cannot be predicted with certainty. Effective January 1, 2022, pursuant to the Tax Cuts and Jobs Act of 2017, our R & D expenses are required to be capitalized and amortized for U. S. tax purposes, which has delayed the ability to deduct these expenses and potentially increased the amount of cash taxes we will pay for the taxable year ended December 31, 2023-2024. We will recover these expenses in subsequent years such that the increased cash outlay is generally expected to be temporary. In the future, the U. S. Congress may consider legislation that would defer the capitalization requirement to later years or eliminate the provision, possibly with a retroactive effect. In the meantime, we expect to continue to make additional federal tax payments based on the current tax law. The impact of this tax legislation on our cash from operations depends on the amount of R & D expenditures incurred by the Company and whether the IRS issues guidance on the legislation which differs from our current interpretation, among other things. On August 16, 2022, the United States enacted the Inflation Reduction Act of 2022 (“ IR Act ”), which, among other things, introduces a 15 % minimum tax based on adjusted financial statement income of certain large corporations with a three- year average adjusted financial statement income in excess of \$ 1 billion and a 1 % excise tax on corporate stock buybacks. The Company was not materially impacted by this tax in 2023-2024, nor does the Company expect to be significantly negatively impacted in future years by this tax. Over the last several years, the Organization for Economic Cooperation and Development (“ OECD ”) has led international efforts among approximately 140 countries and taxing jurisdictions to develop an inclusive framework on Base Erosion and Profit Shifting, which includes the “ Inclusive Framework ” published a minimum statement updating and finalizing the key components of a two-pillar plan on global tax rate reform which has now been agreed upon by the majority of 15 % in each taxing jurisdiction for OECD members. Pillar One allows countries to reallocate a portion of residual profits earned by multinational entities enterprises (“ MNEs ”), with an annual global turnover exceeding € 20 billion and a profit margin over 10 %, to other market jurisdictions. Pillar Two requires MNEs with an annual global turnover exceeding € 750 million in at least to two pay a global minimum out of the last four years, also known as Pillar II tax of 15 %. The OECD has since issued administrative guidance providing and provided transition and safe harbor rules around the implementation of the Pillar Two II global minimum tax. A number of countries, including the U. K., are currently proposing or have enacted legislation to implement core elements of the Pillar Two proposal by the start of 2024. On February 1, 2023, the FASB indicated that they believe the OECD’s 15 % global minimum tax imposed under with an effective date of January 1, 2024. Pillar Two II did not have a material impact on our income tax expense for 2024. As additional jurisdictions enact legislation or new OECD guidance is an alternative minimum issued, our current assessment could change. During the second quarter of 2024, the Company was notified by the Internal Revenue Service that the Company’s U. S. federal income tax returns for, and, accordingly, deferred tax assets years 2021 and liabilities associated with 2022 are subject to examination. If there are any material findings as a result of the examination, the they minimum tax would could have a materially negative not be recognized or adjusted for the estimated future effects of the minimum tax but would be recognized in the period incurred. We will continue to monitor the implementation of the Inclusive Framework agreement by the countries in which we operate. The Company does not expect to be significantly impacted by these rules on our financial condition and results of operations. Gaming opponents persist in their efforts to curtail the expansion of legalized gaming, which, if successful, could limit the growth of our operations. There is significant debate over, and opposition to, land - based and interactive RMG. We cannot assure that this opposition will not succeed in preventing the legalization of gaming in jurisdictions where it is presently prohibited, prohibiting or limiting the expansion of gaming where it is currently permitted or causing the repeal of legalized gaming in any jurisdiction. Any successful effort to curtail the expansion of, or limit or prohibit, legalized gaming could have an adverse effect on our results of operations, cash flows and financial condition. In addition, there is significant opposition in some jurisdictions to interactive social and digital gaming, including social casino gaming. Some states or countries have anti- gaming groups that specifically target social casino games. Such opposition could lead these jurisdictions to adopt legislation or impose a regulatory framework to govern interactive social gaming, social casino games specifically. These could result in a prohibition on interactive social gaming, or social casino gaming altogether, restrict our ability to advertise our games, or substantially increase our costs to comply with these regulations, all of which could have an adverse effect on our results of operations, cash flows and financial condition. We continue to devote significant attention to monitoring these developments. However, we cannot predict the likelihood, timing, scope or terms of any state, federal or foreign legislation or regulations relating to our SciPlay and iGaming businesses or the extent to which they may affect our SciPlay and iGaming businesses. Expectations of a shift to regulated digital gaming may not come to fruition. Our business strategy includes a gradual shift into new, regulated digital gaming markets. We expect there to be an opportunity to grow revenue by being among the first systems providers to obtain a license to operate digital gaming systems in markets where end- users historically have been reliant on unregulated digital gaming. However, there is no guarantee that end users who are currently engaging in unregulated digital gaming (in the U. S. or elsewhere) will transition away from unregulated gaming to regulated gaming in the wake of regulation, which is itself uncertain as to timing and scope and varies on a jurisdiction by jurisdiction basis. Our ability to influence end- user tastes and habits is limited, and if the introduction of regulation fails to result in a migration of end- users from unregulated gaming to regulated gaming, this may have an adverse impact on our operations, financial performance and prospects. Data privacy and security laws and regulations in the jurisdictions in which we do business could increase the cost of our operations and subject us to possible sanctions and other penalties. We collect, process, store, use and share data, some of which contains personal information. Our businesses are therefore subject to a number of federal, state, local and foreign laws and regulations governing data privacy and security, including with respect to the collection, storage, use, transmission, sharing and protection of personal information and other consumer and employee data. Such laws and regulations may be inconsistent among states, countries or between states and

countries or conflict with other rules. In particular, the EU has adopted strict data privacy and security regulations. Following certain developments in the EU, including the EU's GDPR and proposed Regulation on Privacy and Electronic Communications (the "ePrivacy Regulation"), data privacy and security compliance in the EU are increasingly complex and challenging. The GDPR created new compliance obligations applicable to our business and some of our players and imposed increased financial penalties for noncompliance (including possible fines of up to four percent of global annual revenue for the preceding financial year or € 20 million (whichever is higher) for the most serious violations). Compliance with the GDPR and similar regulations increases our operational costs and can impact operational efficiencies. The scope of data privacy and security regulations worldwide continues to evolve, and we believe that the adoption of increasingly restrictive regulations in this area is likely within the U. S. and other jurisdictions. For example, the California Consumer Privacy Act ("CCPA") went into effect on January 1, 2020. This law, among other things, requires new disclosures to California consumers, imposes new rules for collecting or using information about minors, and affords consumers new abilities to opt out of certain disclosures of personal information. It remains unclear how courts will interpret the CCPA. The U. S. Congress may also pass a law to preempt all or part of the CCPA. Further, California subsequently passed the California Privacy Rights Act ("CPRA"), which became effective January 1, 2023. The CPRA amends the CCPA to provide more comprehensive privacy protections to consumers and established the California Privacy Protection Agency as the primary body responsible for safeguarding digital privacy. The effects of the CCPA and CPRA may be significant, and the CCPA required us to update our policies to include CCPA-specific clauses and procedures. A number of other proposals related to data privacy or security are pending before federal, state, and foreign legislative and regulatory bodies. For example, the EU began final negotiations with the European Commission and European Parliament in 2022 regarding the adoption of the ePrivacy Regulation that would govern data privacy and the protection of personal data in electronic communications, in particular for direct marketing purposes. Efforts to comply with these and other data privacy and security restrictions that may be enacted could require us to modify our data processing practices and policies and increase the cost of our operations. Failure to comply with such restrictions could subject us to criminal and civil sanctions and other penalties. In part due to the uncertainty of the legal climate, complying with regulations, and any applicable rules or guidance from self-regulatory organizations relating to privacy, data protection, information security and consumer protection, may result in substantial costs and may necessitate changes to our businesses practices, which may compromise our growth strategy, adversely affect our ability to attract or retain players, and otherwise adversely affect our businesses, financial condition and operating results. Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to players or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection, or information security may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our players to lose trust in us, and otherwise materially and adversely affect our reputation and businesses. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to us may limit the adoption and use of, and reduce the overall demand for, our games. Additionally, if third parties we work with violate applicable laws, regulations, or agreements, such violations may put our players' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our players to lose trust in us and otherwise materially and adversely affect our reputation and businesses. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our businesses, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

General Risk Factors In the past, we have implemented various business improvement, strategic, optimization and restructuring initiatives in an effort to streamline our organization, leverage our resources more efficiently, and reduce our operating costs. These initiatives encompassed a combination of headcount reductions, facilities streamlining, and reductions in other operating costs. Most recently, we have incurred additional restructuring costs related to our recent strategic review, **certain legal matter reserves**, the Divestitures, our ASX listing and the SciPlay Merger. We have engaged, and may continue to engage, in similar or additional future restructuring initiatives. Because we are not able to predict with certainty when we will reorganize portions of our business, we cannot predict the extent, timing and magnitude of additional restructuring charges. We may also not realize the anticipated reduction in operating costs. We review our amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. We test goodwill assets for impairment at least annually. Factors that may indicate a change in circumstances, such that the carrying value of our goodwill, amortizable intangible assets or other non-amortizing assets may not be recoverable, include a decline in our stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in industry segments in which we participate. We may be required to record a significant charge in our consolidated financial statements during the period in which any impairment of our goodwill or intangible assets is determined, which would negatively affect our results of operations. COVID-19 disruptions in the first quarter of 2020 led to widespread closures of LBO shops across the U. K., global economic uncertainty and deterioration in business conditions, which resulted in our most recent goodwill impairment charge, \$ 54 million for our U. K. Gaming reporting unit during the first quarter of 2020. Based on the results of our annual goodwill impairment test as of October 1, **2023** **2024**, we concluded that it is more likely than not that the fair value of each of our reporting units substantially exceeded their respective carrying values (greater than 20 %) and no impairment charges were warranted. However, this could change in the future depending on prevailing conditions or adverse changes to our projections that could negatively impact the recoverability of the remaining carrying value of our goodwill and other assets for our reporting units, which might result in additional material impairment charges. For more information on the assessment and the goodwill impairment charge, see section captioned "Critical Accounting Estimates – Goodwill – Impairment Assessment" in Item 7. "Management's Discussion and Analysis of

Financial Condition and Results of Operations” and Note 11-10. Moreover, application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. We cannot predict the occurrence of impairments, and we cannot assure that we will not have to record additional impairment charges in the future. We depend on the continued performance of our executive officers and key personnel. We face strong competition to recruit and retain key personnel from other top companies in our industry. If we lose the services of any of our executive officers or key personnel and cannot find suitable replacements for such persons in a timely manner, it could have an adverse impact on our business. Our ability to expand is dependent on our ability to recruit and retain talented employees in the U. S. and internationally who are capable of leading our employees to achieve our strategic objectives. We also rely on our highly skilled, technically trained and creative employees to develop new technologies and create innovative products. Such employees, particularly game designers, engineers and project managers with desirable skill sets are in high demand, and we devote significant resources to identifying, hiring, training, successfully integrating and retaining these employees. 2021 and 2022, in particular, were marked by a labor shortage that made hiring and retaining skilled employees to support our products highly competitive. We have adopted a hybrid work policy for our employees. Many companies, including companies that we compete with for talent, have announced plans to adopt full-time remote work arrangements or more flexible hybrid work arrangements, which may impact our ability to attract and retain qualified personnel if potential or current key employees prefer these policies. In addition, as a result of our recent move to a hybrid work environment, we expect to face challenges in retention of personnel who prefer to only work from home. We cannot guarantee that we will be able to recruit or retain highly qualified personnel, including individuals in key areas such as game design, engineering and project management in the future. The loss or inability to hire highly skilled employees could result in significant disruption to our business. In addition, the training and integration of replacement personnel could be time-consuming and expensive while also causing disruption to our business and harm to our reputation in the market for highly skilled employees. A lack of skilled technical workers could delay or negatively impact our business plans, ability to compete, results of operations, cash flows and financial condition. If we are not able to maintain adequate internal control over our financial reporting, it could adversely affect our reputation and business. We are responsible for establishing and maintaining adequate internal control over financial reporting. If we cannot maintain and execute adequate internal control over financial reporting or when necessary implement new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we may suffer harm to our reputation, fail to meet our public reporting requirements on a timely basis or be unable to properly report on our business and our results of operations, cash flows and financial condition. Additionally, the inherent limitations of internal controls over financial reporting may not prevent or detect all misstatements or fraud, regardless of the adequacy of those controls. We are currently undertaking an ERP system implementation in our largest business segment. In addition, the adoption of any new accounting standards may require us to add new or change existing internal controls, which may not be successful. Each of the preceding changes could materially impact our internal control over financial reporting. As of December 31, 2023-2024, we have concluded that our internal control over financial reporting was effective based on criteria outlined in Part II, Item 9A “ Controls and Procedures ” of this Annual Report on Form 10- K, however, we cannot assure that material weaknesses will not be identified in the future. Our results of operations, cash flows and financial condition could be affected by severe weather and other geological events in the locations where we or our customers, suppliers or regulators operate. We may be impacted by severe weather and other geological events, including hurricanes, earthquakes, floods or tsunamis, that could disrupt our operations or the operations of our customers, suppliers, data service providers and regulators. Natural disasters or other disruptions at any of our facilities or our suppliers’ facilities, such as Amazon Web Services, Apple, Google, Facebook, Amazon and Microsoft, may impair or delay the operation, development, provisions or delivery of our products and services. Additionally, disruptions experienced by our regulators due to natural disasters or otherwise could delay our introduction of new products or entry into new jurisdictions where regulatory approval is necessary. While we insure against certain business interruption risks, we cannot assure that such insurance will compensate us for any losses incurred as a result of natural or other disasters. Any serious disruption to our operations, or those of our customers, suppliers, data service providers or regulators could have a material adverse effect on our results of operations, cash flows and financial condition. ~~We are subject to risks related to corporate and social responsibility and reputation. Many factors influence our reputation, including the perception held by our customers, business partners and other key stakeholders. Our business faces increasing scrutiny related to ESG activities. We risk damage to our reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, sustainability and social responsibility. Any harm to our reputation could impact employee engagement and retention, our corporate culture and the willingness of customers and our partners to do business with us, which could have a material adverse effect on our business, results of operations and cash flows.~~ We could incur costs in the event of violations of, or liabilities under, environmental laws, which may adversely affect our business and our results of operations, cash flows and financial condition. Our operations and real property are subject to U. S. and foreign environmental laws and regulations, including those relating to air emissions, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur costs, including cleanup costs, fines or penalties, and third - party claims as a result of violations of, or liabilities under, environmental laws, which could negatively impact our business and our results of operations, cash flows and financial condition. Some of our operations require environmental permits and controls to prevent or reduce environmental pollution, and these permits are subject to review, renewal and modification by issuing authorities. Litigation and arbitration may adversely affect our business and our results of operations, cash flows and financial condition. We are and may become subject to litigation and arbitration claims in the operation of our business, including, but not limited to, with respect to employee matters, alleged product and system malfunctions, alleged intellectual property infringement and claims relating to our contracts, licenses and strategic investments. We have incurred and may incur significant expense defending or settling any such litigation.

Additionally, adverse judgments that have been and may be decided against us resulted and could result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business and our results of operations, cash flows and financial condition. For additional information regarding our litigation, see Note ~~20~~**19**. Failure to perform under our contracts may result in substantial monetary liquidated damages and contract termination. Our contracts, including our Gaming contracts relating to the provision of VLTs, typically permit a counterparty to terminate the contract at any time for a material failure to perform, other specified reasons and, in many cases, for no reason at all. Upon such a termination or failure to perform, we may be required to refund fees paid to us for services performed or allow our customers to return our products to us for a full refund. In the past, we have paid or incurred liquidated damages and have been required to allow the return of VLTs for a full refund under our contracts, and material amounts of liquidated damages could be imposed on us in the future, which could, if imposed, have a material adverse effect on our business prospects, results of operations, cash flows and financial condition. We may be liable for product defects or other claims relating to our products. Our products could be defective, fail to perform as designed or otherwise cause harm to our customers, their equipment or their products. If any of our products are defective, we may be required to recall the products and / or repair or replace them, which could result in substantial expenses and affect our profitability. Any problem with the performance of our products, such as a false jackpot or other prize, could harm our reputation, which could result in a loss of sales to customers and / or potential customers. In addition, the occurrence of errors in, or fraudulent manipulation of, our products or software may give rise to claims by our customers or by our customers' patrons, including claims by our customers for lost revenues and related litigation that could result in significant liability. Any claims brought against us by customers may result in diversion of management' s time and attention, expenditure of large amounts of cash on legal fees and payment of damages, lower demand for our products or services, or injury to our reputation. Our insurance may not sufficiently cover a judgment against us or a settlement payment and is subject to customary deductibles, limits and exclusions. In addition, a judgment against us or a settlement could make it difficult for us to obtain insurance in the coverage amounts necessary to adequately insure our businesses, or at all, and could materially increase our insurance premiums and deductibles. In addition, software bugs or malfunctions, errors in distribution or installation of our software, failure of our products to perform as approved by the appropriate regulatory bodies or other errors or malfunctions, may subject us to investigation or other action by gaming regulatory authorities, including fines. Labor disputes and union organizing activities may have an adverse effect on our operations. Certain of our employees are represented by unions or works councils, including employees in Europe, South America and Canada. In particular, the majority of our employees in Austria and Germany and a small number of employees in the U. S. are represented by unions or work councils. While we believe our relations with our employees are satisfactory, we cannot predict whether we will be successful in negotiating new collective bargaining agreements without any disruptions in our operations or higher labor costs. We cannot assure that we will not encounter conflicts or strikes with any labor unions that represent our employees or union organizing activities at our non- unionized facilities. Any of the foregoing could adversely impact our results of operations, cash flows and financial condition or our customers' operations, could cause us to lose customers, or could increase our labor costs.