Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

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You should be aware that the occurrence of any of the events described in this section and elsewhere in this report or in any other of our filings with the SEC could have a material adverse effect on our business, financial position, results of operations **,** and cash flows. In evaluating us, you should consider carefully, among other things, the risks described below. Summary of Risk Factors The following is a summary of the principal risks that could adversely affect our business, operations **,** and financial results. Risks Related to Our Business ~~and~~ **,** Industry **and Market Conditions** • Our business is sensitive to reductions in discretionary consumer spending **because** ~~as a result~~ of downturns in the economy and other factors outside of our control. • Intense competition exists in the gaming **, media,** and entertainment industries, and we expect competition to continue to intensify. • Our results of operations may fluctuate due to seasonality and other factors and, therefore, our periodic operating results will not be guarantees of future performance. • **Shareholder activists could cause** ~~Negative events or negative media coverage including relating to, or~~ a **disruption to** ~~declining popularity of, sports betting, the underlying sports, teams or athletes and related talent, and / or online gaming may adversely impact our reputation, which could have an adverse impact on~~ our business ~~. • Our projections are subject to significant risks, assumptions, estimates and uncertainties, including assumptions regarding future legislation and changes in regulations, both inside and outside of the United States. As a result, our projected revenues and profitability may differ materially from our expectations. • Consolidation among gaming equipment manufacturers could impose additional costs on us. • Our business and operations have been, and may in the future, be adversely affected by epidemics, pandemics, outbreaks of disease, and other adverse public health developments, including COVID- 19~~. Risks Related to Our Operations • We have certain **retail** properties that generate a significant percentage of our revenues and our ability to meet our operating and debt service requirements is dependent, in part, upon the continued success of these properties. • **A** ~~We are required to utilize a~~ significant portion of our cash flow from operations **is used** to make ~~our~~ **interest payments and** rent payments under our **debt** ~~Triple Net Leases, which could adversely affect our ability to fund our operations~~ and **lease agreements. • We may require additional capital to support our** growth **plans,** and ~~limit our ability~~ **such capital may not be available on terms acceptable** to **us, if at all** ~~react to competitive and economic changes~~. • Most of our facilities are leased and could experience risks associated with leased property. • **We are subject to risks and costs related to climate change regulations and greenhouse gas effects. • Investors' and other stakeholders' expectations of our performance relating to environmental, social, and governance factors may impose additional costs and expose us to new risks. •** Our ~~operations could be disrupted if~~ management agreements and / or leases with third parties and local governments ~~are~~ **may** not **be** renewed. • There can be no assurance that we will be able to compete effectively or generate sufficient returns on our recently expanded sports betting and **iCasino** ~~online gaming~~ operations, including **ESPN BET** ~~our acquisition of Barstool and theScore~~. • Our operations and their success are largely dependent on the skill and experience of management and key personnel. • Our business ~~could suffer if we cannot~~ **is dependent on our ability to** attract and retain talented team members. • **We face risks related to** ~~Collective~~ **collective** bargaining activity and strikes ~~could disrupt our operations, increase our labor costs, and interfere with the ability of our management to focus on executing our business strategies~~. • ~~If we fail to detect~~ **We face the risk of** fraud ~~or~~ **,** theft, ~~including by our users and employees, our reputation may suffer which could harm our brand~~ - **and cheating** ~~and reputation and negatively impact our business, financial condition and results of operations and can subject us to investigations and litigation~~. • We rely on, among other things, copyrights, trademarks, trade secrets, confidentiality procedures, and contractual provisions to protect our intellectual property rights and we may be unable to protect or may not be successful in protecting our intellectual property rights. • Our commercial success depends upon us avoiding the infringement of intellectual property rights owned by others ~~and any such infringements, including those that are inadvertent, may have a material adverse effect on our business~~. • Our technology contains third- party open source software components ~~, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our offerings~~. • We may face disruption and other difficulties in integrating and managing ~~properties~~ **acquired operations** or other initiatives we have recently acquired, may develop, or may acquire in the future. • We lease facilities that are located in areas that experience extreme weather conditions **, which may increase in frequency and severity as a result of climate change**. • We rely on third **parties** ~~- party payment processors~~ to ~~process deposits and withdrawals made by~~ **provide services that are essential to the operation of** our online sports betting and iCasino ~~users~~ **business** , **including geolocation, identity** and **age verification,** ~~if we cannot manage our relationships with such third parties and other~~ payment **processing** ~~- related risks~~, ~~our business, financial condition~~ and ~~results of operations could be adversely affected. • If our third- party mobile application distribution platforms or service providers do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition, and results of operations could be adversely affected. • If internet and other technology- based service providers experience service interruptions, our ability to conduct our business may be impaired and our business, financial condition and results of operations could be adversely affected. • We rely on third party cloud infrastructure services to deliver our offerings to users. Any disruption of, or interference with, our use of these services could adversely affect our business, financial condition, results of operations, and prospects. • We rely on strategic relationships with casinos, tribes and horse tracks in order to be able to offer our sports betting and online gaming products in certain jurisdictions. If we cannot establish and manage such relationships with such partners, our business, financial condition and results of operations could be adversely affected. • We rely on other third- party~~ sports data ~~providers for real- time and accurate data for sporting events, and if such third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business,~~

~~financial condition and results of operations could be adversely affected~~ . • Our growth will depend, in part, on the success of our strategic relationships with third parties. ~~Overreliance~~ **• We are reliant** on ~~certain third parties, or~~ **our partnership with ESPN, and** our ~~inability~~ **failure** to ~~extend existing~~ **maintain that** ~~relationships~~ - **relationship could negatively** ~~or agree to new relationships may cause unanticipated costs for us and~~ impact our **business** ~~financial performance in the future. • Our information technology and other systems are subject to cyber security risk~~ , ~~including misappropriation of employee information, customer information or other breaches of information security, particularly as our Interactive segment grows. • Our growth prospects may suffer if we are unable to develop successful offerings or if we fail to pursue additional offerings. In addition, if we fail to make the right investment decisions in our offerings, we may not attract and retain~~ **reputation ,** ~~key users~~ and **strategic goals** ~~our revenue and results of operations may decline~~ . • The growth of our Interactive segment will depend on our ability to attract and retain users **and require investments in our online offerings, technology, and strategic marketing initiatives** . • Participation in the sports betting industry exposes us to trading, liability management **,** and pricing risk ~~. We may experience lower than expected profitability and potentially significant losses as a result of a failure to determine accurately the odds in relation to any particular event and / or any failure of our sports risk management processes and controls~~ . • We follow the sports betting industry practice of restricting and managing betting limits at the individual customer level based on individual customer profiles and risk level to the enterprise; however, there is no guarantee that gaming regulatory authorities will allow operators such as us to place limits at the individual customer level. • We extend credit to a portion of our customers who wager at our retail properties, and we may not be able to collect gaming receivables from our credit customers. • The success, including win or hold rates, of existing or future retail **,** ~~and online~~ sports betting **,** and **iCasino** ~~online gaming~~ products depends on a variety of factors and is not completely controlled by us. • We face a number of challenges prior to opening new or upgraded gaming properties **, launching iCasinos and sports betting in new jurisdictions,** or launching new **iCasino** ~~online gaming~~ or sports betting **offerings** ~~channels, which may lead to increased costs and delays in anticipated revenues~~ . Risks Related to ~~Our Capital Structure~~ **our Information Systems and Technology • If our third- party mobile application distribution platforms or service providers do not perform adequately or terminate their relationships with us, our costs may increase. • If internet and other technology- based service providers experience service interruptions, our ability to conduct our business may be impaired. • We rely on third party cloud infrastructure services to deliver our offerings to users.** • Our **information technology** ~~indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our outstanding indebtedness. • The lack of availability and cost of financing could have an~~ **and** ~~adverse effect on~~ **other systems are subject to cybersecurity risk, including misappropriation of employee information, customer information** ~~our~~ - **or other breaches** ~~business. • To service our indebtedness, we will require a significant amount~~ of **information security** ~~cash, which depends on many factors beyond our control~~ . Legal and Regulatory Risk Factors • We are or may become involved in legal proceedings ~~that, if adversely adjudicated or settled, could impact our financial condition~~ and ~~results~~ **no assurance can be provided as to the outcome** of ~~operations~~ **these matters** . • We face extensive regulation from gaming regulatory authorities ~~, which could have a material adverse effect on us~~ . • We are subject to certain federal, state, provincial **,** and other regulations ~~, and if we fail to comply with such regulations, it could have a material adverse effect on our financial condition, results of operations, and cash flow~~ . • State and local smoking restrictions have and may continue to negatively affect our business. • Changes to consumer privacy laws ~~both inside and outside of the United States~~ could adversely affect our ability to market our products effectively and may require us to change our business practices or expend significant amounts on compliance with such laws. • We are subject to environmental laws and potential exposure to environmental liabilities ~~which could have an adverse effect on us~~ . • **We may experience** ~~Material~~ **material** increases to our taxes or the adoption of new taxes or the authorization of new or increased forms of gaming ~~could have a material adverse effect on our future financial results~~ . The summary risk factors described above should be read together with the text of the full risk factors below and in the other information set forth in this Annual Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. If any such risks and uncertainties actually occur, our business, prospects, financial condition **,** and results of operations could be materially and adversely affected. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition **,** and results of operations. **Risks Related to Our Business, Industry, and Market Conditions** Our business is particularly sensitive to downturns in the economy and the associated impact on discretionary spending on leisure activities. As a regional operator, our in- person customers are predominately local, so we compete for more day- to- day discretionary spending as compared with destination spending. Decreases in discretionary consumer spending or consumer preferences brought about by factors such as perceived or actual general economic conditions, effects of declines in consumer confidence in the economy, any future employment ~~and~~ **or** credit crisis, the impact of high and prolonged inflation, particularly with respect to housing, energy **,** and food costs, the increased cost of travel, decreased disposable consumer income and wealth, fears of war and future acts of terrorism, or widespread illnesses or epidemics ~~, including COVID- 19,~~ can have a material adverse effect on discretionary spending and other areas of economic behavior that directly impact the gaming and entertainment industries in general and could further reduce customer demand for the products and amenities that we offer, which may negatively impact our revenues and operating cash flow . Intense competition exists in the gaming......, financial condition or results of operations . The closing of our properties due to the COVID- 19 pandemic caused significant disruptions to our ability to generate revenues, profitability, and cash flows and had a material adverse impact on our financial condition, results of operations, and cash flows. While all our properties are currently open, there remains continuing logistical challenges faced by the entire gaming industry resulting from COVID- 19- related labor shortages and supply chain disruptions. Future disruptions, as well as significant negative economic trends, due to the COVID- 19 pandemic or other widespread illnesses or epidemics, may adversely **impact** ~~affect our stock price. Epidemics, pandemics, outbreaks of novel diseases, and other adverse public health developments in~~

~~states where we operate may arise at any time. Such developments, including the COVID- 19 pandemic, have had, and in the future may have, an adverse effect on~~ our business **, prospects** , financial condition **,** and results of operations. ~~These~~ -- **The** ~~effects include~~ **gaming, media, and entertainment industries are characterized by an increasingly high degree of competition among** a ~~potentially negative impact on~~ **large number of participants. We compete with a variety of gaming operations, including casinos and hotel casinos of varying quality and size and** ~~the~~ **other gaming options such as state** ~~availability of our key personnel, labor shortages~~ and ~~increased turnover~~ **province- sponsored internet lotteries** , **sweepstakes** ~~temporary closures of our properties or the facilities of our business partners~~ , ~~customers~~ **charitable gaming** , ~~suppliers~~ **video gaming terminals at bars** , **restaurants, taverns and truck stops, illegal slot machines and skill games, fantasy sports and** third- party ~~service~~ **internet or mobile- based gaming platforms** ~~hotel casinos of varying quality and size in market areas where they are located~~ ,including ~~on various~~ **both legal** ~~lands~~ -- **and illegal** ~~taken into trust for the benefit of certain Native American tribes.In most markets,we compete directly with other casino~~ **iCasino** ~~facilities~~ **and sports betting** ~~operating~~ **operations** ~~in the immediate and surrounding market areas~~ . **More generally** ~~In some markets~~ , ~~we~~ **both our retail and interactive gaming operations** face competition from ~~nearby markets in addition to direct competition within our market areas~~ **all manner of leisure and entertainment activities,including shopping,athletic events,television and movies,concerts,and travel** .We and our competitors have invested in expanding existing facilities,developing new facilities,and acquiring established facilities in existing markets.This expansion of existing casino entertainment properties,the increase in the number of properties and aggressive marketing strategies by many of our competitors have increased competition in many markets in which we compete,and this intense competition can be expected to continue.As competing properties and new markets open,our **business,prospects,financial condition,and** results of operations may be negatively impacted.Increased competition may require us to make substantial capital expenditures to maintain and enhance the competitive positions of our properties,including making expenditures to increase the attractiveness and add to the appeal of our facilities, ~~including~~ increasing the manner and frequency in which we refresh,refurbish or replace fixtures ~~and~~ **,** equipment ~~at our properties~~ **and gaming offerings** .After satisfying our obligations under our outstanding indebtedness **and Triple Net Leases (as defined below)** ,there can be no assurance that we will have sufficient funds to undertake these expenditures or that we will be able to obtain sufficient financing to fund such expenditures.If we are unable to make such expenditures,our competitive position could be materially adversely affected.Similarly,there is intense competition among **iCasino and** online ~~gaming and~~ sports betting providers **. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies or otherwise develop more commercially successful products or services than ours, which could negatively impact** ~~or~~ **our** ~~develop more commercially successful products or services than ours,which could negatively impact our~~ business.There has also been considerable consolidation among competitors in the interactive gaming sectors and such consolidation and future consolidation could result in the formation of larger competitors with increased financial resources and altered cost structures,which may enable them to offer more competitive products,gain a larger market share,expand offerings **,** and broaden their geographic scope of operations.If we are not able to maintain or improve our market share,or if our offerings do not continue to be popular,our **Interactive segment' s** business **,prospects,financial condition,and results of operations** could suffer.Our online sportsbook,retail sportsbook **,** and core retail business operations may fluctuate due to seasonal trends and ~~other~~ other ~~vendors, and interruption~~ **factors. A majority** of ~~domestic and global supply chains, distribution channels and liquidity and capital or~~ **our current sports betting revenue occurs in the fourth quarter. This seasonality may cause decreases in our future revenues during the applicable off- seasons. In addition, certain individuals or teams advancing or failing to advance and their scores and other results within specific tournaments, games or events may impact our** financial **performance. Our retail gaming operations are also subject to seasonality, including seasonality based on the weather in the** markets ~~. In particular~~ **in which they operate** , ~~restrictions on~~ **specific holidays, or other significant events. The operations of** ~~or~~ **our properties are subject to** disruptions ~~of transportation may significantly adversely impact our~~ - **or reduced patronage as** ~~business. The impact of~~ a **result of severe weather conditions, natural disasters, acts or threats of terrorism, concerns about** widespread illnesses or epidemics, including COVID- 19, **and other casualty events, such as hurricanes or tornados. We maintain significant property insurance, including business interruption coverage, for these types of casualty events; however, if any such events occur, there can be no assurances that we will be fully or promptly compensated, if at all, for losses at any of our properties in the event of future inclement weather or casualty events or from the closings of our properties due to widespread illnesses or epidemics. In addition, the occurrence of such an event** may **adversely impact general economic or** ~~also have the effect of exacerbating many of the~~ other **conditions** ~~risks described~~ in ~~this Annual Report~~ **the areas in which our properties are located or from which they draw their patrons, and our business, prospects, financial condition, and results of operations could be materially adversely affected. An activist investor has indicated disagreement with our strategic direction and capital allocation policies and may seek representation** on ~~Form 10- K~~ **our Board of Directors. Our business, operating results and financial condition could be adversely affected and may result in, among other things: (a) increased operating costs, including increased legal expenses, insurance, administrative expenses and associated costs incurred in connection with director election contests; (b) uncertainties as to our future direction, which could result in the loss of potential business opportunities and could make it more difficult to attract, retain, or motivate qualified personnel, and strain relationships with investors and customers; and (c) reduction or delay in our ability to effectively execute our current business strategy and to implement new strategies** . Risks Related to our Operations We ~~have certain retail properties that~~ generate a ~~significant~~ **material** percentage of our revenues **from certain geographic regions** and our ability to meet our operating and debt service requirements is dependent, in part, upon the continued success of these ~~properties~~ **regions** . For the year ended December 31, ~~2022~~ **2023** , we generated ~~14~~ **13** . **8 %, 13. 6 %, and** 9 ~~%, 13~~ . **7** ~~1 %, and 9. 5~~ % of our revenues from our retail properties within the states of Louisiana, Ohio **,** and Missouri, respectively. ~~Additionally~~

As a result , we ~~generated 5. 6 %~~ **are subject to a greater degree** of **risk than a gaming company with more regional diversification as** ~~our revenues from our property in Charles Town, West Virginia. Therefore,~~ our results will be dependent on the regional economies and competitive landscapes ~~at~~ **in** these ~~properties~~ **specific markets** . **Our** ~~Likewise, our~~ ability to meet our operating and debt service requirements is **thus** dependent, in part, upon the continued success of **our properties in** these **key regions. The risks to which we have a greater degree of exposure include changes in local economic and competitive conditions; changes in local and state governmental laws and regulations, including gaming laws and regulations, and the way in which those laws and regulations are applied; natural and other disasters, including the potential effects of climate change such as severe storms, hurricanes, typhoons, rising sea levels, severe drought, or the outbreak of infectious diseases; an increase in the cost of maintaining our** properties **in these areas; a decline in the number of visitors to locations in such regions; and a decrease in gaming and non- gaming activities at our properties in such regions. Any of these factors could negatively affect our business, prospects, financial condition, results of operations, and ability to generate sufficient cash flow to meet our operating and debt service requirements. As of December 31, 2023, we had indebtedness of $ 2. 8 billion, including $ 1. 5 billion outstanding under our Amended Credit Facilities** . We are **also** required to utilize a significant portion of our cash flow from operations to make our rent payments, which were $ ~~925~~ **937** . ~~0~~ **8** million for the year ended December 31, ~~2022~~ **2023** , pursuant to and subject to the terms and conditions of our Master Leases ~~, Meadows Lease, Perryville Lease, Tropicana Lease, which was terminated on September 26, 2022,~~ and Morgantown Lease **,** each with GLPI, and our Margaritaville Lease and Greektown Lease with VICI (as defined previously, collectively, our " Triple Net Leases "). As a result of these commitments under our Triple Net Leases, our ability to fund our own operations or development projects, raise capital, make acquisitions and otherwise respond to competitive and economic changes may be adversely affected. Further, our obligations under the Triple Net Leases may make it more difficult for us to satisfy our obligations with respect to our indebtedness and to obtain additional indebtedness and restrict our ability to raise capital, make acquisitions, divestitures **,** and engage in other significant transactions. Any of the aforementioned factors could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows **. There is no assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our Amended Credit Facilities in amounts sufficient to enable us to fund our liquidity needs, including with respect to our indebtedness and rent payments. Our variable rate borrowings expose us to interest rate volatility, which could cause our debt service obligations to increase significantly. We also may incur indebtedness related to properties we develop or acquire in the future prior to generating cash flow from those properties. If those properties do not provide us with cash flow to service that indebtedness, we will need to rely on cash flow from our other properties, which would increase our leverage. In addition, if we consummate significant acquisitions in the future, our cash requirements may increase significantly. We may finance some of our current and future expansion, development and renovation projects and acquisitions with cash flow from operations, borrowings under our Amended Credit Facilities and equity or debt financings. For more information regarding our future development projects, see " Recent Acquisitions, Development Projects and Other " in the " Executive Overview " within our Management' s Discussion and Analysis. If we are unable to finance our current or future projects, we could have to seek alternative financing. Depending on credit market conditions, including the current high interest rate environment, alternative sources of funds may not be sufficient to finance our expansion, development and / or renovation, or such other financing may not be available on acceptable terms, in a timely manner or at all. In addition, our existing indebtedness contains restrictions on our ability to incur additional indebtedness. If we are unable to secure additional financing, we could be forced to limit or suspend expansion, development and renovation projects and acquisitions, which may adversely affect our business, prospects, financial condition, results of operations, and cash flows. The capacity under our Amended Revolving Credit Facility is $ 1. 0 billion, of which $ 978. 3 million is available as of December 31, 2023. Our Amended Revolving Credit Facility expires in 2027. There is no certainty that our lenders will continue to remain solvent or fund their respective obligations under our Amended Credit Facilities. Events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. Although we assess our banking and customer relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial services industry or economy in general** . We lease 36 of the facilities we operate pursuant to the Triple Net Leases. Termination of the PENN **Master Lease, the 2023** Master Lease, Pinnacle Master Lease, or Morgantown Lease could result in a default under our debt agreements and could have a material adverse effect on our financial condition, results of operations, and cash flows. Moreover, as a lessee, we do not completely control the land and improvements underlying our operations, and our landlords under the Triple Net Leases could take certain actions to disrupt our rights in the facilities leased under the Triple Net Leases that are beyond our control. In addition, should some of our leased facilities prove to be unprofitable, we could remain obligated for lease payments and other obligations under the Triple Net Leases even if we decide to withdraw from those locations. Further, there can also be no assurance that we will be able to comply with our obligations under the Triple Net Leases in the future or that our landlords will be able to comply with their obligations under the Triple Net Leases with us. **There is a growing consensus that greenhouse gas (" GHG ") emissions continue to alter the composition of the global atmosphere in ways that are affecting, and are expected to continue affecting, the global climate. We may become subject to legislation and regulation regarding climate change, and compliance with any new rules could be difficult, burdensome, and costly. Concerned parties, such as legislators and regulators, stockholders, and nongovernmental organizations, as well as companies in many business**

sectors, are considering ways to reduce GHG emissions. Many states have announced or adopted programs to stabilize and reduce GHG emissions and, in the past, federal legislation has been proposed in Congress. If such legislation is enacted, we could incur increased energy, environmental and other costs, and capital expenditures to comply with the limitations. Unless and until legislation is enacted and its terms are known, we cannot reasonably or reliably estimate its impact on our business, financial condition, results of operations, or ability to compete. Further, regulation of GHG emissions may limit our customers' ability to travel to our properties (e. g. as a result of increased fuel costs or restrictions on transport- related emissions). There is an increasing focus from certain investors, customers, partners, employees, other stakeholders, governments, and regulators concerning environmental, social, and governance matters (" ESG "). For example, various policymakers, such as the SEC and the State of California, have adopted, or are considering adopting rules or laws to require companies to provide significantly expanded climate- related disclosures, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management and board of directors. Additionally, some investors may use these non- financial performance factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our policies and actions relating to ESG are inadequate. We may face reputational damage in the event that we do not meet the ESG standards set by various constituencies. As ESG best practices and reporting standards continue to develop, we may incur increasing costs related to ESG monitoring and reporting and compliance with ESG initiatives. We publish an annual Corporate Social Responsibility Report, which highlights, among other things, our climate change mitigation activities and how we are supporting our workforce, including our diversity, equity, inclusion, and belonging efforts. Our disclosures on these matters, or a failure to meet evolving stakeholder expectations for ESG practices and reporting, may potentially harm our reputation and customer relationships. Furthermore, if our competitors' ESG performance is perceived to be better than ours, potential or current investors may elect to invest with our competitors instead. In addition, in the event that we communicate certain initiatives or goals regarding ESG matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of investors, customers, employees, and other stakeholders, or our initiatives are not executed as planned, our business, financial condition, results of operations, and prospects could be adversely affected. Our management agreements and / or leases with third parties and local governments may not be renewed or the terms of a renewal may require significant fees or capital expenditure commitments. Our operations in several jurisdictions depend on land leases and / or management and development agreements with third parties and local governments. If we, or if GLPI or VICI **,** in the case of leases pursuant to which we are the sub- lessee, are unable to renew these leases and agreements on satisfactory terms as they expire or if disputes arise regarding the terms of these agreements, our business may be disrupted and, in the event of disruptions in multiple jurisdictions, could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows **. We may also be required to pay higher fees and / or incur additional capital expenditures to renew management agreements with third parties and local governments in our existing jurisdictions, or incur higher fees and / or capital expenditures than forecasted in connection with new management agreements with third parties and local governments as we expand into new jurisdictions** . There can be no assurance that we will be able to compete effectively or generate sufficient returns on our recently expanded sports betting and **iCasino** ~~online gaming~~ operations, including ~~our acquisitions~~ **the launch** of **ESPN BET** ~~Barstool and theScore~~ . Certain of the jurisdictions in which we operate have legalized intra- state sports wagering and have established extensive state licensing and regulatory requirements governing any such intra- state sports wagering. As of December 31, ~~2022~~ **2023** , we have launched the ~~Barstool Sportsbook~~ **ESPN BET** app in ~~14~~ **17** states ~~and theScore Bet app in Ontario~~ , and we expect to launch our ~~Barstool Sportsbook~~ **ESPN BET** app in additional states throughout ~~2023~~ **2024** . Our sports betting and **iCasino** ~~online gaming~~ operations compete, and will continue to compete, in a rapidly evolving and highly competitive market against an increasing number of competitors. Additionally, and as described in more detail below, we have entered into agreements with other **online** sports betting and **iCasino** ~~online gaming~~ operators and may enter into additional agreements with strategic partners and other third- party vendors to provide market access in certain jurisdictions. In addition, there can be no assurance that the **ESPN BET** ~~Barstool and theScore audiences~~ - **audience** will engage in sports betting and **iCasino** ~~online gaming~~ products to the extent that we expect. Further, the success of our proposed sports betting and **iCasino** ~~online gaming~~ operations is dependent on a number of additional factors, many of which are beyond our control, including the ultimate tax rates and license fees charged by jurisdictions across the United States and Canada; our ability to gain market share in a new market; the timeliness and the technological and popular viability of our products; our ability to compete with new entrants in the market; changes in consumer demographics and public tastes and preferences; cancellations and delays in sporting seasons and sporting matches as a result of events such as player strikes or lockouts; and the availability and popularity of other forms of entertainment. There can be no assurance that we will be able to compete effectively or that our expansion will be successful and generate sufficient returns on our investment. ~~Any of the factors above could prevent us from receiving the expected returns of our acquisitions of Barstool and theScore, cause the market price of our common stock to decline, and have a material adverse effect on our financial condition, results of operations and cash flows.~~ Our success and our competitive position, ~~including as relates~~ **related** to our retail operations, sports betting and **iCasino** ~~online gaming~~ operations, and media businesses, are largely dependent upon, among other things, the efforts and skills of our senior executives and management team. Although we enter into employment agreements with certain of our senior executives and key personnel, we cannot assure you that we will be able to retain our existing senior executive and management personnel or attract additional qualified senior executive and management personnel. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop, and retain skilled and experienced personnel to our corporate, retail operations, sports betting and **iCasino** ~~online gaming~~ , and media businesses, we could experience increased employee turnover, decreased guest or user satisfaction, low morale, inefficiency, or internal control failures. Insufficient numbers of talented team members could also limit our ability to grow and expand our businesses. A shortage of frontline and skilled labor could also result in higher wages that would increase our labor costs, which could reduce our profits. Additionally, the increased ability of employees to work from home or in other remote work arrangements has impacted, and may continue to impact, our ability to attract and retain talented personnel. Qualified individuals are in high demand, particularly in the technology and media industries, and we may incur significant costs to attract them. We may use equity awards to attract talented employees, influencers and media personalities. If the value of our common stock declines significantly and remains depressed, that may prevent us from recruiting and retaining qualified talent. Our ability to attract, retain, and motivate employees, influencers and media personalities may also be adversely affected by stock price volatility. ~~A significant number~~ **As of December 31, 2023, approximately 25 %** of team members at our properties are currently covered by collective bargaining agreements. Numerous collective bargaining agreements are typically subject to negotiation each year, and our ability in the past to resolve such negotiations does not mean that we will be able to resolve future negotiations without strikes, disruptions, or on terms that we consider reasonable. If relationships with our organized associates or the unions that represent them become adverse, then the properties we operate could experience labor disruptions such as strikes, lockouts, boycotts, and public demonstrations. Labor disputes and disruptions have in the past, and could in the future, result in adverse publicity and negatively affect operations and revenues at affected properties. In addition, labor ~~disputes and disruptions could harm our relationship with our team members, result in increased regulatory inquiries and enforcement by governmental authorities, harm our relationships with our guests and customers, divert management attention, and reduce customer demand for our services, all of which could have an adverse effect on our reputation, business, financial condition, or results of operations. In addition, labor~~ regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses and legal costs, and could impose limitations on our ability or the ability of our third- party property owners to take cost saving measures during economic downturns. Given the large number of employees, labor unions are making a concerted effort to recruit more employees in the gaming industry, and ~~,~~ we have experienced attempts by labor organizations to organize certain of our non- union employees. ~~These efforts have achieved some success to date.~~ We cannot provide any assurance that we will not experience additional and successful union activity in the future. The impact of this union activity is undetermined and could negatively impact our results of operations. Increased unionization of our workforce, new labor legislation or changes in regulations could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies. We **face** ~~have in~~ the ~~past incurred, and~~ **risk that gaming customers** may **attempt or commit** ~~in the future incur, losses from various types of financial~~ fraud **or theft or cheat in order to increase winnings. Such acts of fraud** , ~~including~~ **theft, or cheating could involve the** use of **counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers, or other casino or gaming area staff. Additionally, we also face the risk that customers may attempt or commit fraud or theft with respect to our non- gaming offerings or against other customers. Such risks include** stolen ~~or fraudulent payment card or payment instrument data, claims of unauthorized payments by a user and attempted payments by users with insufficient funds. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person' s identity, account information or payment information and unauthorized acquisition or use of~~ credit or ~~debit~~ **charge** ~~card~~ **cards** ~~details, bank account information and mobile phone numbers and accounts. Under current payment industry practices, we may be liable for~~ - **or** ~~use~~ **cash, falsified checks, theft** of ~~funds on~~ **retail inventory and purchased goods, and unpaid** ~~our~~ - **or counterfeit receipts** ~~products with fraudulent payment instrument data, even if the associated financial institution approved the payment transaction. Acts of fraud may involve various tactics, including collusion. Successful exploitation of our systems could have negative effects on our product offerings, services and user experience and could harm our reputation~~ . Failure to discover such acts or schemes in a timely manner ~~could~~ **may** result in ~~harm to~~ **losses in** our operations ~~. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations and prospects~~ . In the event of the occurrence of any such issues with our existing technology or product offerings, substantial ~~engineering and marketing~~ resources and management attention may be diverted from other projects to correct these issues, which may delay other projects and the achievement of our strategic objectives. **Negative publicity related** ~~In addition, any misappropriation of, or unauthorized access~~ to **such acts** ~~, proprietary information owned or licensed by us or our~~ - **or schemes** ~~users or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, force us to modify our business practices, damage our reputation and expose us to claims from our users, regulators, employees and other persons, any of which~~ could have an adverse effect on our **reputation, potentially causing a material adverse effect on our** business, financial condition, results of operations ~~and prospects. Despite measures we have taken to detect and reduce the occurrence of fraudulent or other malicious activity on our offerings~~ , ~~we cannot guarantee that any of our measures will be effective or will scale efficiently with our business or as new methods of engaging in fraudulent activity occur. Our failure to adequately detect or prevent fraudulent transactions could harm our reputation or brand~~ -- **and cash flows** ~~, result in litigation or regulatory action and lead to expenses that could adversely affect our business, financial condition and results of operations~~ . Our commercial success depends upon our ability to develop new or improved technologies and products, and to successfully obtain or acquire proprietary or statutory protection for our intellectual property rights. We rely on, among other things, copyrights, trademarks, trade secrets, confidentiality procedures, and contractual provisions to protect our proprietary rights. While we enter license, confidentiality and non- disclosure agreements with our employees and vendors, consultants, users, potential users , and others to attempt to limit access to and distribution of proprietary and confidential information, it is possible that: • some or all of our confidentiality and non- disclosure agreements will not be honored; • third parties will independently develop equivalent technology or misappropriate our technology or designs; • disputes will arise with our strategic partners, users or others concerning the ownership of intellectual property; • unauthorized disclosure or use of our intellectual property, including source code, know-how or trade secrets will occur; or • contractual provisions may not be enforceable. There can be no assurance that we will be successful in protecting our intellectual property rights or that we will become aware of third- party infringements that might be occurring. Inability to protect our intellectual property rights could have a material adverse effect on our prospects, business, financial condition or results of operations. The industries in which we compete have many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by us in our products. Some of these patents may grant very broad protection to the third- party owners thereof. Patents can be issued very rapidly and there is often a great deal of secrecy surrounding pending patent applications. We cannot determine with certainty whether any existing third-party patents or the issuance of any new third- party patents would require us to alter our technologies, pay for licenses, challenge the validity or enforceability of the patents, or cease certain activities. Third parties may assert intellectual property infringement claims against us and against our partners and / or suppliers. We may be subject to these types of claims either directly or indirectly through indemnities assuming liability for these claims that we may provide to certain partners. There can be no assurance that our attempts to negotiate favorable intellectual property indemnities in favor of us with our suppliers for infringement of third- party intellectual property rights will be successful or that a supplier' s indemnity will cover all damages and losses suffered by us and our partners and other suppliers due to infringing products, or that we can secure a license, modification or replacement of a supplier' s products with non- infringing products that may otherwise mitigate such damages and losses. Some of our competitors have, or are affiliated with companies that have, substantially greater resources than us, and these competitors may be able to sustain the costs of complex intellectual property infringement litigation to a greater degree and for longer periods of time than us. Regardless of whether third- party claims of infringement against us have any merit, these claims could: • adversely affect our relationships with our customers and vendors; • be time- consuming to evaluate and defend; • result in costly litigation; • result in negative publicity for us; • divert our management' s attention and resources; • cause product and software delivery delays or stoppages; • subject us to significant liabilities; • require us to enter into costly royalty or licensing agreements; • require us to develop possible workaround solutions that may be costly and disruptive to implement; or • require us to cease certain activities or to cease distributing our products and delivering our services in certain markets. In addition to being liable for potentially substantial damages relating to a patent or other intellectual property following an infringement action against us, we may be prohibited from developing or commercializing certain technologies or products unless we obtain a license from the holder of the patent or other applicable intellectual property rights, or purchase these rights. There can be no assurance that we will be able to obtain any such license or purchase the patent on commercially reasonable terms, or at all. If we do not obtain such a license, our prospects, business, operating results , and financial condition could be materially adversely affected , and we could be required to cease related business operations in some markets and restructure our business to focus on continuing operations in other markets. Our technology contains software modules licensed to us under " open source " licenses from third- party sources. Use and distribution of open source software may entail greater risks than use of third- party commercial or proprietary software, as open source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our technology. Some open source licenses contain requirements that we make the source code of our software, in which the open source software modules are used or incorporated into, publicly available for third parties to create modifications or derivative works, or grant other licenses to our intellectual property for free. These types of open source licenses are commonly known as " copyleft " licenses. If we combine our proprietary software with open source software subject to copyleft licenses, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re- engineer some or all of our software or remove such copyleft software. Although we monitor our use of open source software to avoid subjecting our technology to licensing conditions we do not intend, the law surrounding the use of open source software and open source licenses is in a state of evolution and the legal ramifications of such use remain uncertain in the U. S. and other countries. There is a risk that these open source licenses could be construed in a way that could impose unanticipated and undesirable conditions or restrictions on our ability to provide or distribute our technology. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Moreover, while we have processes for controlling our use of open source software in our technology, there is no assurance that such processes will be effective. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our offerings on terms that are not economically feasible, to re- engineer our technology, to discontinue or delay the provision of our offerings if re- engineering could not be accomplished on a timely basis or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition , and results of operations ~~. We may face disruption and other difficulties in integrating and managing acquired operations or other initiatives we have recently acquired, may develop, or may acquire in the future~~ . We could face significant challenges in managing and integrating our expanded or combined operations and any other properties or operations we may develop or acquire, particularly in new competitive markets or business lines, including our ~~recent~~ **recently launched ESPN BET sportsbook app** ~~acquisitions of theScore and the remaining outstanding equity of Barstool~~ . The integration and management of more significant operations that we develop or acquire, such as our **recent launch of** ~~ability to (i) integrate~~ the ~~Barstool~~ **ESPN BET** ~~Sportsbook~~ **sportsbook** ~~into theScore' s mobile~~ app ~~in the U. S. and (ii) migrate the Barstool Sportsbook to theScore' s player account management and trading platforms, will require the dedication of management resources that~~ may temporarily divert attention from our day- to- day business. In addition, development and integration of new information technology systems that may be required is costly and time- consuming. The process of integrating operations that we may acquire also could interrupt the activities of those businesses, which could have a material adverse effect on our financial condition, results of operations, and cash flows. In addition, the development of new operations may involve regulatory, legal **,** and competitive risks, and, as it relates to property acquisitions, construction **,** and local opposition risks, as well as the risks attendant to partnership deals on these development opportunities. In particular, local opposition can delay or increase the anticipated cost of a project, and, in projects where we team up with a joint venture partner **or licensing partner** , if we cannot reach agreement with such partners, or if our relationships otherwise deteriorate, we could face significant increased costs and delays. Finally, given the competitive nature of these types of limited license opportunities, litigation is possible. We cannot assure you that we will be able to manage the combined operations **that we develop or acquire** effectively or realize any of the anticipated benefits of our acquisitions or development projects. We also cannot assure you that if acquisitions are completed, that the acquired businesses will generate returns consistent with our expectations. Our ability to achieve our objectives in connection with any acquisition we may consummate may be highly dependent on, among other things, our ability to retain the senior level management teams of such acquisition candidates. If, for any reason, we are unable to retain these management teams following such acquisitions or if we fail to attract new capable executives, our operations after consummation of such acquisitions could be materially adversely affected. The occurrence of some or all of the above- described events could have a material adverse effect on our financial condition, results of operations, and cash flows. **We have been and may continue to be adversely impacted by increases in the frequency, duration, and severity of extreme weather events and changes in precipitation and temperature which may be increasing consequences of climate change.** Extreme weather conditions may interrupt our operations and reduce the number of customers who visit our facilities in the affected areas. Our properties in **Colorado,** Illinois, **Indiana,** Iowa, Kansas, Louisiana, **Maine, Massachusetts, Mississippi,** Missouri, Ohio, ~~Colorado, Indiana~~ and Pennsylvania are at risk of experiencing **extreme weather conditions, including** snowstorms, tornadoes **, hurricanes** and / or flooding. In the past, adverse weather conditions **, potentially exacerbated by climate change,** have interrupted our operations, damaged property **,** and reduced the number of customers who visit our facilities in an affected area. For example, we have experienced interrupted operations and property damage due to hurricanes in the areas around the Gulf of Mexico and due to certain snowstorms in the Midwest and Northeast. If any of our properties are damaged or there is a prolonged disruption at any of our properties due to natural disasters or other catastrophic weather events, our business **,** results of operations **,** and financial condition could be materially adversely affected. **Although a majority of our repair, clean- up, and lost business expenses have been covered by insurance in the past, there is no assurance that, given the increasing burdens on insurance companies from extreme weather events, we will be able to continue to obtain adequate insurance against these types of losses, or that our insurers in the future will be in a position to satisfy our claims. In addition, the costs of insurance against these types of events have increased in recent years. For example, the Company' s cost of insurance premiums on an annual basis was approximately $ 29. 6 million in 2023 as compared to $ 25. 4 million in 2022.** Additionally, our retail casino gaming, sports betting **,** and **iCasino** ~~online gaming~~ operations rely heavily on technology services and an uninterrupted supply of electrical power. Any unscheduled disruption in our technology services or interruption in the supply of electrical power as a result of extreme weather, or otherwise, could result in an immediate, and possibly substantial, loss of revenues due to a shutdown of our retail casino gaming (including slot machines and security systems), sports betting **,** and **iCasino** ~~online gaming~~ operations. We rely on ~~a limited number~~ **third parties to provide services that are essential to the operation** of **our online gaming business, including geolocation, identity and age verification, payment processing, and sports data systems to ensure we comply with laws and regulations, processing deposits and withdrawals made by our online users and providing information regarding schedules, results, performance, and outcomes of sporting events to determine when and how bets are settled. The software, systems and services provided by our** third- party ~~payment processors to process deposits and withdrawals made by~~ **providers may not meet our expectations, contain errors** ~~our~~ - **or weaknesses, be compromised** ~~users. If any of our~~ - **or experience outages. A failure of such** third- party **systems** ~~payment processors terminate their relationship with us or refuse~~ to **perform effectively** ~~renew their agreements with us on commercially reasonable terms~~ , ~~we would need to find alternate payment processors, and may not be able to secure similar terms or replace such payment processor in an acceptable time frame. Further, the software and services provided by our~~ - **or** ~~third- party payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or make timely payments to our users,~~ any ~~of which could make our technology less trustworthy and convenient and adversely affect our ability to attract and retain our users. A majority of user deposits are made with payment cards or through other third- party payment services~~ - **service interruption** ~~, which subjects us~~ to ~~certain regulations and to the risk of fraud. We may in the future offer new payment options to users that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from our users, including with respect to money laundering, money transfers, privacy and information security. If we fail to comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines and / or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our offerings less convenient and attractive to our users. If any of these~~ **those systems** ~~events were to occur~~ , ~~our business, financial condition and results of operations could be adversely~~

~~affected. Additionally, our payment processors require us to comply with payment card network and sponsoring bank operating rules, which are set and interpreted by the payment card networks and sponsoring banks. The payment card networks and / or sponsoring banks could adopt new operating rules or interpret or reinterpret existing rules in ways that might prohibit us from providing certain offerings to some users, be costly to implement or difficult to follow. We have agreed to reimburse our payment processors and sponsoring banks for fines they are assessed by payment card networks if we or our users violate these rules. Any of the foregoing risks~~ could adversely affect our business **by preventing users from accessing** ~~, financial condition and results of operations. Our success depends in part on~~ our ~~relationships with other third- party service providers. We rely upon third- party distribution platforms, including the Apple App Store and Google Play store, for distribution of our entertainment, media and mobile sports betting and~~ online ~~gaming applications. As such, the promotion, distribution and operation of our mobile applications are subject to the respective distribution platforms~~ - **platform** ~~' standard terms and policies~~ , **delaying payment** ~~which are very broad and subject to frequent changes and interpretation. If Apple or Google choose to de- list any of our~~ - **or resulting** ~~mobile applications due to what they perceive to be objectionable content or violation of Apple or Google rules or codes of conduct, it could have a material negative impact on our business. Further, the success of our Interactive segment depends~~ in ~~part on our relationships with other third- party service providers for hosting, content delivery, load balancing and protection against distributed denial- of- service attacks. If those providers do not perform adequately or terminate their relationship with us, our users may experience issues or interruptions with their experiences. We also rely on other software and services supplied by third parties, such as communications and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain~~ errors ~~or vulnerabilities, are compromised or experience outages. Further, any negative publicity related to any of our third- party partners could adversely affect our reputation and brand. We incorporate technology from third parties throughout our business. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that the suppliers and licensors have sufficient rights to the technology~~ in **settling bets** ~~all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our offerings could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our offerings~~ , which could ~~adversely affect~~ **give rise to regulatory issues relating to the operation of** our business ~~, financial condition and results of operations~~ . **By way of example** ~~Further, we rely on third- party geolocation and identity verification systems to ensure we are in compliance with certain laws and regulations related to our sports betting and online gaming services. There is no guarantee that the third- party geolocation and identity verification systems will perform adequately, or be effective, and any service disruption to those systems would prohibit us from operating our platform and would adversely affect our business. Additionally~~ , incorrect or misleading geolocation and identity verification data with respect to current or potential users received from third- party service providers may result in us inadvertently allowing access to our offerings to individuals who ~~should~~ **are** not ~~be~~ permitted to access them ~~,~~ or otherwise inadvertently ~~deny~~ **denying** access to individuals who **are permitted** ~~should be able~~ to access **them. Also, errors** ~~our~~ - **or failures by** ~~offerings, in each case based on inaccurate identity or~~ **our** ~~geographic location determination~~ **payment processors and sports data providers could result in a failure to timely and accurately process payments to and from users or errors in settling bets** . ~~Our~~ **Any such errors or failures could result in violations of applicable regulatory requirements and adversely affect our reputation and our ability to attract and retain our online users. Furthermore, negative publicity related to any of our** third- party ~~geolocation services providers~~ **partners could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure. Additionally, we** rely on ~~their ability to obtain information necessary to determine geolocation from mobile devices, operating systems, and other sources. Changes, disruptions or temporary or permanent failure to access such sources by our~~ third- party ~~services~~ **suppliers to** ~~providers~~ -- **provide** ~~may result in~~ **gaming equipment, semiconductor chips and** ~~their~~ - **other supplies** ~~inability to accurately determine the location of our users. Moreover, our inability to maintain our existing contracts with third- party services providers, or to replace them with equivalent third parties, may result in our inability to access geolocation and identity verification data necessary~~ for our **business** ~~day- to- day operations~~ . ~~If any of~~ **Supply chain delays or disruptions could impact our ability to obtain** these **supplies from our key suppliers on acceptable terms** ~~risks materializes, we may be subject to disciplinary action, fines, lawsuits, and our~~ - **or at all** ~~business, financial condition and results of operations could be adversely affected~~ . **Any suspension** ~~As described in more detail below, a substantial portion of our~~ - **or** ~~network infrastructure is~~ **delay in our suppliers' ability to** ~~provided~~ - **provide** ~~by third parties~~ **us adequate equipment or supplies** , ~~including internet service providers and~~ **or in our ability to procure equipment or supplies from** other **sources** ~~technology- based service providers. We require technology- based service providers to implement cyber- attack- resilient systems and processes. However, if internet service providers experience service interruptions, because of cyber- attacks, or due to an event causing an unusually high volume of internet use (such as a pandemic or public health emergency), communications over the internet may be interrupted and impair our ability to conduct our business. Internet service providers and other technology- based service providers may in the future roll out upgraded or new mobile or other telecommunications services, such as 5G or 6G services, which may not be successful and thus may impact the ability of our users to access our offerings~~ in a timely ~~fashion~~ **manner** or at all ~~. In addition~~ , **could impair** our ability to ~~process e- commerce transactions depends on payment processing and payment network systems. To prepare for system problems, we continuously seek to strengthen and enhance our current facilities and the capabilities of our~~

~~system infrastructure and support. Nevertheless, there can be no assurance that the internet infrastructure or our own network systems will continue to be able to~~ meet ~~the~~ **customer** demand ~~placed on us by the continued growth of the internet, the overall sports betting~~ and **therefore** online gaming industry and our users....... in our offerings, any of which could have a material adverse effect on our business, **prospects,** financial condition ~~,~~ **or** results of operations ~~and prospects~~ . **In addition** ~~We currently host our sports betting and online gaming offerings and support our operations using third- party providers of cloud infrastructure services. We do not~~ , **if any** ~~and will not, have control over the operations~~ of ~~the facilities or~~ **our** ~~infrastructure of the~~ third- party service providers ~~that we~~ **terminates its relationship with** ~~use~~ - **us** ~~. Such third party’ s facilities are vulnerable to damage or interruption from natural disasters~~ , ~~cyber security attacks, terrorist attacks, power outages and similar events or acts of misconduct. Our technology’ s continuing and uninterrupted performance will be critical to our success and~~ is ~~dependent~~ **unable to maintain necessary regulatory approvals, or refuses to renew its agreement with us** on **commercially reasonable terms, we would** ~~the use of third- party cloud infrastructure services. We~~ have **to find alternate** ~~experienced, and we expect that in the future we will experience, interruptions, delays and outages in service and availability from these third- party~~ service providers **. We cannot be certain that we would be able to secure favorable terms** from ~~time~~ **alternative service providers that are critical** to ~~time due to~~ **the operation of our business or enter into alternative arrangements in** a ~~variety~~ **timely manner. Our digital business, results** of ~~factors~~ **operations, and prospects would be adversely impacted by our inability to or delay in securing replacement services that are sufficient to support our online business or are on comparable terms. We rely on relationships with sports leagues and teams, professional athletes and athlete organizations, advertisers, casinos, and other third parties** , including ~~infrastructure changes~~ **those affiliated with ESPN** , ~~human~~ **in order to attract users to** ~~or~~ **our** ~~software errors~~ **properties and online offerings** , **including ESPN BET. These relationships, along with providers of online services, search engines, social media, directories and other** ~~website~~ **websites** ~~hosting disruptions~~ and ~~capacity constraints~~ **e- commerce businesses, direct consumers to our offerings** . In addition, ~~any~~ **many** ~~changes in~~ **of the parties with whom we have advertising arrangements provide advertising services to other companies, including other gaming products with whom we compete. While we believe** ~~these~~ **there are other** third parties ~~,~~ ~~service levels~~ **that could drive users to our offerings, adding or transitioning to them** may ~~adversely affect~~ **disrupt our business and increase our costs. In the event that any of our existing relationships or our future relationships fails to provide services to us in accordance with the terms of our arrangement, or at all, and we are not able to find suitable alternatives, this could impact** our ability to **attract consumers cost effectively** ~~meet the requirements of our users. Since our technology’ s continuing~~ and ~~uninterrupted performance is critical to our success, sustained or repeated system failures would reduce the attractiveness of our offerings. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand and the usage of our offerings increases. Any negative publicity arising from these disruptions could~~ harm ~~our reputation and brand and may adversely affect the usage of our offerings. Any of the above circumstances or events may harm our reputation and brand, reduce the availability or usage of our technology, lead to a significant loss of revenue, increase our costs and impair our ability to attract new users, any of which could adversely affect~~ our business, financial condition ~~and~~ **,** results of operations **, and prospects** . **Additionally,** ~~Under~~ **under** the sports betting and **iCasino** ~~online gaming~~ laws of certain jurisdictions, sports betting and **iCasinos** ~~online gaming~~ are limited to a finite number of retail operators, such as casinos, tribes or tracks, who own a “ skin ” or “ skins ” under that jurisdiction’ s law. A “ skin ” is a legally ~~-~~authorized license from a gaming regulatory authority to offer sports betting or **iCasino** ~~online gaming~~ services provided by such a retail operator. The “ skin ” provides a market access opportunity for mobile operators to operate in the jurisdiction pending licensure and other required approvals by the jurisdiction’ s gaming regulatory authority. ~~The entities that control those “ skins, ” and the numbers of “ skins ” available, are typically determined by a jurisdiction’ s law authorizing sports betting or online gaming.~~ In some of the jurisdictions in which we offer sports betting and **iCasino** ~~online gaming~~ , we currently rely on a casino, tribe **,** or track in order to get a “ skin. ” ~~These “ skins ” are what allows us to gain access to jurisdictions where online operators are required to have a retail relationship.~~ If we cannot establish, renew or manage these relationships, our market access rights could terminate **,** and we would not be allowed to operate in those jurisdictions until we enter into new ones. As a result, our business, financial condition and results of operations could be adversely affected. We ~~rely~~ **are reliant** on ~~third~~ **our partnership with ESPN, and our failure to maintain that relationship could negatively impact our business, reputation and strategic goals. On August 8, 2023, we entered into the Sportsbook Agreement with ESPN, which provides for a long** - ~~party~~ **term strategic relationship between PENN and the ESPN relating to online** sports ~~data~~ **betting in the United States. Pursuant to the Sportsbook Agreement, PENN rebranded the existing Barstool Sportsbook across all online platforms in the United States as ESPN BET (the “ Sportsbook ”) and oversees daily operations of the Sportsbook. The Sportsbook Agreement** ~~providers~~ - **provides PENN** ~~to obtain accurate information regarding schedules, results, performance and outcomes of sporting events. We rely on this data to determine what sports bets to offer and when and how sports bets are settled. We have experienced, and may continue to experience, errors in these data feeds which may result in us incorrectly offering or settling bets. If we cannot adequately resolve issues~~ with ~~our~~ **an exclusive license to** ~~users~~ -- **use the ESPN BET trademark in the United States in connection** ~~that result from such data feed errors, our users may have negative experiences~~ with ~~our offerings~~ **the Sportsbook. In addition** , ~~our~~ **pursuant to the Sportsbook Agreement, ESPN provides certain marketing, content integration** ~~brand~~ -- **and** ~~or reputation~~ **promotional services. The Sportsbook Agreement generally will expire in 2033, unless the parties agree to an additional ten year extension; however, the Sportsbook Agreement** may be **terminated by ESPN prior** ~~negatively affected and our users may be less inclined~~ to **2033 under certain circumstances, including if** ~~continue or resume utilizing our products or recommend our offerings to other~~ -- **the** ~~potential users. As such,~~ **Sportsbook’ s market access is not at least** a **specified percentage** ~~failure or significant interruption in our service may harm our reputation, business and operating results. Furthermore, if any~~ of ~~our~~ **the total market access by the online** ~~sports~~ **sportsbook operator** ~~data partners terminates its relationship~~ with ~~us~~ **the most expansive market access. Any**

termination or loss of exclusivity of ~~or~~ **our exclusive license** ~~refuses to renew its agreement with us on commercially reasonable terms, we~~ would ~~need to find an alternate provider, and may not be able to secure similar terms or replace such providers in an acceptable time frame. Any of these risks could increase our costs and adversely affect our business, financial condition and results of operations. Further, any negative publicity related to any of our third- party partners, including any publicity related to regulatory concerns, could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure. We rely on relationships with sports leagues and teams, professional athletes and athlete organizations, advertisers, casinos and other third parties, including those affiliated with Barstool, in order to attract users to our property and online offerings. These relationships along with providers of online services, search engines, social media, directories and other websites and e- commerce businesses direct consumers to our offerings. In addition, many of the parties with whom we have advertising arrangements provide advertising services to other companies, including other gaming products with whom we compete. While we believe there are other third parties that could drive users to our offerings, adding or transitioning to them may disrupt our business and increase our costs. In the event that any of our existing relationships or our future relationships fails to provide services to us in accordance with the terms of our arrangement, or at all, and we are not able to find suitable alternatives, this could impact our ability to attract consumers cost effectively and harm our business, financial condition, results of operations and prospects. We increasingly rely on information technology and other systems (particularly as our Interactive segment grows), including our own systems and those of service providers and third parties, to manage our business and employee data and maintain and transmit customers' personal and financial information, payment settlements, payment funds transmissions, mailing lists, and reservations information. Our collection of such data is subject to extensive regulation by private groups, such as the payment card industry, as well as governmental authorities, including gaming regulatory authorities. Privacy regulations continue to evolve and we have taken, and will continue to take, steps to comply by implementing processes designed to safeguard the confidential and personal information of our business, employees and customers. In addition, our security measures are reviewed and evaluated regularly. However, our information and processes and those of our service providers and other third parties, including our contractors and contractors of our service providers and vendors, are subject to the ever- changing threat of compromised security, in the form of a risk of potential breach, system failure, computer virus, or unauthorized or fraudulent use by customers, company employees, company contractors and other third parties including employees and contractors of third party vendors. The steps we take to deter and mitigate the risks of breaches may not be successful, and any resulting compromise or loss of data or systems could adversely impact operations or regulatory compliance and could result in remedial expenses, fines, litigation, disclosures, and loss of reputation, potentially impacting our financial results. Further, as cyber- attacks continue to evolve, we may incur significant costs in our attempts to modify or enhance our protective measures or investigate or remediate any actual or perceived vulnerability. Increased instances of cyber- attacks may also have a negative reputational impact on us and our properties that may result in a loss of customer confidence and, as a result, may~~ have a material adverse effect on our **business,** financial condition ~~,~~ **or** results of operations ~~, and cash flows~~ . ~~As~~ **Our ability to achieve revenue growth in the future in** our Interactive segment ~~grows~~ **(inclusive of ESPN BET** , ~~we~~ **theScore Bet sports betting and iCasino app, and Hollywood iCasino)** will ~~face increased cyber risks~~ **depend, in large part, upon our ability to attract new users to our offerings, retain existing users** and ~~threats~~ **reactivate inactive users in a cost- effective manner. Achieving growth in our community of users may require us to increasingly engage in sophisticated and costly sales and marketing and promotional efforts, which may not make sense in terms of return on investment. We cannot be sure** that ~~seek to damage, exploit, disrupt or~~ **our investments in technology** ~~gain access to our networks~~ , ~~our~~ products ~~and services~~ , ~~consumer information, and our supporting infrastructure. Any failure to prevent or mitigate security breaches or cyber risk could result in interruptions to the services we provide, degrade the user experience, and cause our users to lose confidence in our products and services. The unauthorized access, acquisition or disclosure of consumer information could compel us to comply with disparate breach notification laws and otherwise subject us to proceedings by governmental entities, including gaming regulatory authorities, or others and substantial legal and financial liability. This could harm our business and reputation, disrupt our relationships with partners and diminish our competitive position. The industries in which we operate are subject to rapid and frequent changes in standards, technologies, products and~~ service offerings ~~, as~~ **and marketing initiatives** ~~well~~ **will be** ~~as in customer demands and expectations and regulations. We must continuously make decisions regarding in which offerings, properties and technology we should invest to meet customer demand in compliance with evolving industry standards and regulatory requirements and must continually introduce and successfully~~ -- **successful or** ~~market new and innovative technologies, offerings and enhancements to remain competitive and~~ generate **the return** ~~customer demand, acceptance and engagement. Our ability to engage, retain, and increase our user base and to increase our revenue will depend heavily~~ on ~~our ability to successfully create new offerings, both independently and together with third parties, transform properties and invest~~ **investment** ~~in innovative technologies. We may introduce significant changes to our existing technology and offerings or develop and introduce new and unproven products and services, with which we have little or no prior development or operating experience. The process of developing new offerings and systems is inherently complex and uncertain, and new offerings may not be well received by users, even if well- reviewed and of high quality. If we are unable to develop technology and products~~ that ~~address users' needs or enhance and improve our existing technology and offerings in a timely manner,~~ we ~~could experience a material adverse effect on our business, financial condition, results of operations and prospects. Although we intend to continue investing in our research and development efforts, if new or enhanced offerings fail to engage our users or partners, we may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify our investments, any of which may seriously harm our business. In addition, management may not properly ascertain or assess the risks of new initiatives, and subsequent events may alter the risks that were evaluated at the time we decided to execute~~ -- **expect** ~~any new initiative. Creating additional offerings can also divert our management' s attention from other business issues and opportunities. Even if our new offerings attain market acceptance, those new offerings could exploit~~

~~the market share of our existing product offerings or share of our users' wallets in a manner that could negatively impact their ecosystem. Furthermore, such expansion of our business increases the complexity of our business and places an additional burden on our management, operations, technical systems and financial resources and we may not recover the often- substantial up- front costs of developing and marketing new offerings, or recover the opportunity cost of diverting management and financial resources away from other offerings. In the event of continued growth of our operations, products or in the number of third- party relationships, we may not have adequate resources, operationally, technologically or otherwise to support such growth and the quality of our technology, offerings or our relationships with third parties could suffer. In addition, failure to effectively identify, pursue and execute new business initiatives, or to efficiently adapt our processes and infrastructure to meet the needs of our innovations, may adversely affect our business, financial condition, results of operations and prospects. Any new offerings may also require our users to utilize new skills to use our offerings. This could create a lag in adoption of new offerings and new user additions related to any new offerings. To date, new offerings and enhancements of our existing technology have not hindered our user growth or engagement, but that may be the result of a large portion of our user base being in a younger demographic and more willing to invest the time to learn to use our products most effectively. To the extent that future users, including those in older demographics, are less willing to invest the time to learn to use our products, and if we are unable to make our products easier to learn to use, our user growth or engagement could be affected, and our business could be harmed. We may also develop new products that increase user engagement and costs without increasing revenue. Additionally, we may make bad or unprofitable decisions regarding these investments~~ . If new or existing competitors offer more attractive offerings **or engage in marketing initiatives that are better received by customers** , we may lose users or users may decrease their spending on our offerings ~~. New customer demands, superior competitive offerings, new industry standards or changes in the regulatory environment could render our existing offerings unattractive, unmarketable or obsolete and require us to make substantial unanticipated changes to our technology or business model. Our failure to adapt to a rapidly changing market or evolving customer demands could harm our business, financial condition, results of operations and prospects. Our ability to achieve growth in revenue in the future in our Interactive segment and its Barstool Sportsbook and theScore Bet sports betting and online gaming apps will depend, in large part, upon our ability to attract new users to our offerings, retain existing users of our offerings and reactivate users in a cost- effective manner. Achieving growth in our community of users may require us to increasingly engage in sophisticated and costly sales and marketing and promotional efforts, which may not make sense in terms of return on investment~~ . We have used and expect to continue to use a variety of free and paid marketing channels, in combination with compelling offers and exciting games to achieve our objectives. For paid marketing, we may leverage a broad array of advertising channels, including television, radio, sports teams, social media influencers (brand ambassadors), social media platforms, such as Facebook, Instagram, Twitter and Snapchat, affiliates and paid and organic search, and other digital channels, such as mobile display. If the search engines on which we rely modify their algorithms, change their terms around ~~sports~~ **online** betting ~~or online gaming~~ , ~~or~~ if ~~the prices at which we may purchase listings increase, then our costs could increase, and fewer users may click through to our website. If~~ links to our apps or websites are not displayed prominently in online search results, if fewer users click through to the Apple App Store and Google Play Store or our websites, if our other digital marketing campaigns are not effective, **or** if the costs of attracting users using any of our current methods significantly increase, then our ability to efficiently attract new users could be reduced, our revenue could decline and our business, financial condition and results of operations could be harmed. In addition, our ability to increase the number of users of our offerings will depend on continued user adoption of the ~~Barstool Sportsbook and~~ **ESPN BET,** theScore Bet apps **,** and online gaming in general. Growth in the ~~sportsbook and~~ online gaming industries and the level of demand for and market acceptance of our product offerings will be subject to a high degree of uncertainty. We cannot assure that consumer adoption of our product offerings will continue or exceed current growth rates, or that the industry will achieve more widespread acceptance. Additionally, as technological or regulatory standards change and we modify our platforms to comply with those standards, we may need users to take certain actions to continue playing, such as performing age verification checks or accepting new terms and conditions. Users may stop using our product offerings at any time, including if the quality of the user experience on our platforms, including our support capabilities in the event of a problem, does not meet their expectations or keep pace with the quality of the customer experience generally offered by competitive offerings. Our fixed- odds betting products involve betting where winnings are paid on the basis of the stake placed and the odds quoted. Odds are determined with the objective of providing an average return to us over a large number of events. However, there can be significant variation in gross win percentage event- by- event and day- by- day. We have systems and controls that seek to reduce the risk of daily losses occurring on a gross- win basis, but there can be no assurance that these will be effective in reducing our exposure, and consequently our exposure to this risk in the future. As a result, in the short term, there is less certainty of generating a positive gross win, and we may experience (and we have from time to time experienced) significant losses with respect to individual events or betting outcomes, in particular if large individual bets are placed on an event or betting outcome or series of events or betting outcomes. Odds compilers and risk managers are capable of human error, thus even allowing for the fact that a number of betting products are subject to capped pay- outs, significant volatility can occur. In addition, it is possible that there may be such a high volume of trading during any particular period that even automated systems would be unable to address and eradicate all risks. Any significant losses on a gross- win basis could have a material adverse effect on our business, financial condition **,** and results of operations. In addition, if a jurisdiction where we hold or wish to apply for a license imposes a high turnover tax for betting (as opposed to a gross- win tax), this too would impact profitability, particularly with high value / low margin bets, and likewise have a material adverse effect on our business. We follow the sports betting industry practice of restricting and managing betting limits at the individual customer level based on individual customer profiles and **enterprise** risk ~~level to the enterprise~~ ; however **,** there is no guarantee that gaming regulatory authorities will allow operators such as us to place limits at the individual customer level. Similar to a credit card company managing individual risk on the customer level through credit limits, it is customary for sports betting operators to manage customer- betting limits at the individual level to manage enterprise risk levels. We believe this practice is beneficial overall, because if it were not possible, the betting options would be restricted globally and limits available to customers would be much lower to insulate overall risk due to the existence of a very small segment of highly sophisticated syndicates and algorithmic bettors, or bettors looking to take advantage of site errors and omissions. We believe the majority of operators balance taking reasonable action from all customers against the risk of individual customers significantly harming the business viability. We cannot guarantee that all jurisdictions will allow us to execute limits at the individual customer level, or at our sole discretion **, which may in turn impact our ability to manage sports betting risk** . We conduct our gaming activities on a credit and cash basis at many of our properties, in accordance with applicable laws and regulations. Any such credit we extend is unsecured. Table games players typically are extended more credit than slot players, and high- stakes players typically are extended more credit than customers who tend to wager lower amounts. High- end gaming is more volatile than other forms of gaming, and variances in win- loss results attributable to high- end gaming may have a significant positive or negative impact on cash flow and earnings in a particular period. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our **business, financial condition and** results of operations if deemed uncollectible. Gaming debts evidenced by a credit instrument, including what is commonly referred to as a " marker, " and judgments on gaming debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis, and judgments on gaming debts in such jurisdictions are enforceable in all U. S. states under the Full Faith and Credit Clause of the U. S. Constitution; however, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U. S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U. S. courts are not binding on the courts of many foreign nations. The retail and online gaming industries are characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of gaming device, table game, sports bet or iCasino game (" Gaming Offerings "), on average, will win or lose in the long run. Net win is impacted by variations in the hold percentage (the ratio of net win to total amount wagered), or actual outcome, in Gaming Offerings. We use the hold percentage as an indicator of the performance of the Gaming Offering against its expected outcome. Although each Gaming Offering generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. In addition to the element of chance, win rates (hold percentages) may also (depending on the game involved) be affected by the spread of limits and factors that are beyond our control, such as a user' s skill, experience **,** and behavior, the mix of games played, the financial resources of users, the volume of bets placed and the amount of time spent ~~gambling~~ **playing** . As a result of the variability in these factors, the actual win rates on our Gaming Offerings may differ from the theoretical win rates we have estimated and could result in the user' s winnings exceeding those anticipated. ~~The~~ **For example, in the past, certain VIP patrons have placed bets that resulted in large payouts and negatively impacted our results of operations. Similar events caused by the** variability of win rates (hold rates) ~~also~~ have the potential to negatively impact our **business,** financial condition, results of operations, and cash flows. Our success also depends in part on our ability to anticipate and satisfy user preferences in a timely manner. As we ~~will~~ operate in a dynamic environment characterized by rapidly changing industry and legal standards, our products will be subject to changing consumer preferences that cannot be predicted with certainty. We will need to continually introduce new offerings and identify future product offerings that complement our existing technology, respond to our users' needs and improve and enhance our existing technology to maintain or increase our user engagement and growth of our business. We may not be able to compete effectively unless our product selection keeps up with trends in the retail and digital sports entertainment, sports betting **,** and gaming industries in which we compete, or trends in new gaming products. No assurance can be given that, when we endeavor to open new or upgraded retail gaming properties **, expand sports betting or iCasinos in new jurisdictions,** or launch new ~~online gaming or~~ sports betting ~~channels~~ **or iCasino offerings** , the expected timetables for opening **or expanding** such properties or ~~channels~~ **offerings** will be met in light of the uncertainties inherent in the development of the regulatory framework, construction **and / or development** , the licensing process, legislative action and litigation. In addition, as we seek to launch ~~online gaming and~~ sports betting **or iCasino** offerings in additional jurisdictions, we will need to hire additional qualified employees, such as **software** engineers, IT professionals, product managers and compliance personnel. Given the significant competition in this area for qualified candidates, we may be unable to hire qualified candidates. Delays in opening new or upgraded properties **or offerings, or expanding offerings in new jurisdictions,** could lead to increased costs and delays in receiving anticipated revenues with respect to such properties or ~~channels~~ **offerings** and could have a material adverse effect on our **business, prospects,** financial condition, results of operations, and cash flows. **Our success depends in part on our relationships with other third- party service providers. We rely upon third- party distribution platforms, including the Apple App Store and Google Play store, for distribution of our entertainment, media, and mobile sports betting and iCasino applications.** As **such** ~~of December 31~~ , ~~2022, we had indebtedness of $ 2. 8 billion, including $ 1. 5 billion outstanding under our Amended Credit Facilities. We are also required to make annual minimum lease payments to our REIT Landlords pursuant to~~ the **promotion** ~~Triple Net Leases~~ , **distribution** ~~which we currently expect will be approximately $ 863. 6 million for the year ending December 31~~ , **and operation of** ~~2023. Additionally,~~ our **mobile applications** ~~Triple Net Leases~~ are subject to ~~annual escalators, percentage rent,~~ **the respective distribution platforms' standard terms** and ~~rent~~ **policies, which are very broad and subject to frequent changes and interpretation. If Apple or Google choose to de- list any of our mobile applications due to what they perceive to be objectionable content or violation of Apple or Google rules or codes of conduct, it could have a material negative impact on our business, financial condition, and** ~~resets~~ **results of operations. Further** , **the success of our Interactive segment depends in part on our relationships with other third- party service providers for hosting, content delivery, load balancing and protection against distributed denial- of- service attacks. If those providers do not perform adequately or terminate their relationship with us, our users may experience**

issues or interruptions with their experiences. We also rely on other software and services supplied by third parties, such as ~~applicable~~ **communications and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain errors or vulnerabilities, are compromised or experience outages. Further, any negative publicity related to any of our third- party partners could adversely affect our reputation and brand** . We **incorporate technology from third parties throughout our business. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that the suppliers and licensors** have **sufficient rights** ~~indebtedness and significant fixed annual lease payments under the Triple Net Leases. Our indebtedness and additional fixed costs under our Lease obligations have important consequences~~ to ~~our financial health. We~~ **the technology in all jurisdictions in which we** may ~~finance~~ **operate.** ~~some~~ **Some** of ~~our current and future expansion, development and renovation projects and acquisitions with cash flow from operations, borrowings under our Amended Credit Facilities and equity or~~ **our license agreements may be terminated by** ~~debt financings. For more information regarding~~ our **licensors for convenience** ~~future development projects, see " Recent Acquisitions, Development Projects and Other " in the Executive Overview within our Management' s Discussion and Analysis~~ . If we are unable to ~~finance~~ **obtain** ~~our~~ - **or** ~~current~~ **maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against** ~~or~~ **our** ~~future projects~~ **suppliers and licensors or against us** , **or if** we **are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our offerings** could ~~have~~ **be severely limited and our business could be harmed. Additionally, if we are unable** to ~~seek~~ **obtain necessary technology from third parties, we may be forced to acquire or develop** ~~alternative~~ -- **alternate technology** ~~financing. Depending on credit market conditions~~ , ~~including the current high interest rate environment,~~ **which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If** ~~alternative~~ -- **alternate** ~~sources of funds~~ **technology cannot be obtained or developed, we** may not be ~~sufficient~~ **able** to **offer certain functionality as part of** ~~finance our expansion, development and / or~~ **our** ~~renovation~~ **offerings** , **which could adversely affect** ~~or~~ **our business, financial condition, and results of operations. As described in more detail below, a substantial portion of our technological and network infrastructure is provided by third parties, including internet service providers and other technology- based service providers. We require technology- based service providers to implement cyber- attack- resilient systems and processes. However, if internet service providers experience service interruptions, because of cyber- attacks, or due to an event causing an unusually high volume of internet use (** such **as a pandemic or public health emergency), communications over the internet may be interrupted and impair our ability to conduct our business. Internet service providers and** other ~~financing~~ **technology- based service providers may in the future roll out upgraded or new mobile or other telecommunications services, such as 5G or 6G services, which** may not be ~~available on acceptable terms,~~ **successful and thus may impact the ability of our users to access our offerings** in a timely ~~manner~~ **fashion** or at all. In addition, our ~~existing indebtedness contains restrictions~~ **ability to process transactions, both at our retail properties and online, depends** on **point- of- sale** ~~our ability to incur additional indebtedness. If we are unable to secure additional financing~~ , **payment processing, payment network and database systems. To prepare for system problems,** we ~~could~~ **continuously seek to strengthen and enhance our current facilities and the capabilities of our system infrastructure and support. Nevertheless, there can** be ~~forced~~ **no assurance that these systems will continue** to ~~limit~~ **be able to meet the demand placed on us by** ~~or~~ **our customers** ~~suspend expansion, development~~ and ~~renovation projects and acquisitions~~ **the continued growth of the internet** , ~~which~~ **the overall sports betting, and iCasino industry. Any difficulties these providers face, including the potential of certain network traffic receiving priority over other traffic (i. e., lack of net neutrality),** may adversely affect our ~~,lack of net neutrality),may adversely affect our~~ business,and we exercise little control over these providers,which increases our vulnerability to problems with the services they provide.Any system failure as a result of reliance on third parties,such as hosting,network,software or hardware failure,or as a result of cyber- attacks,could cause a loss of our users' property or personal information,or a delay or interruption in our online services and products and e-commerce services,including our ability to handle existing or increased traffic.Any such failure could result in a loss of anticipated revenue,interruptions to our offerings,cause us to incur significant legal,remediation and notification costs,degrade the customer experience **,** and cause users to lose confidence in our offerings,any of which **could have a material adverse effect on our business,** financial condition, results of operations, and **prospects. We currently host our online sports betting and iCasino offerings and support our operations using third- party providers of cloud infrastructure services. We do not, and will not, have control over the operations of the facilities or infrastructure of the third- party service providers that we use. Such third party' s facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. Our technology' s continuing and uninterrupted performance will be critical to our success and is dependent on the use of third- party cloud infrastructure services. We have experienced, and we expect that in the future we will experience interruptions, delays, and outages in service and availability from these third- party service providers from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. In addition, any changes in these third parties' service levels may adversely affect our ability to meet the requirements of our users. Since our technology' s continuing and uninterrupted performance is critical to our success, sustained or repeated system failures would reduce the attractiveness of our offerings. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand and the usage of our offerings increases. Any of the above circumstances or events may harm our reputation and brand, reduce the availability or usage of our technology, lead to a significant loss of revenue, increase our costs and impair our ability to attract new users, any of which could adversely affect our business, financial condition, and results of operations. Our information technology and other systems are subject to cybersecurity risk, including misappropriation of employee information, customer information, or**

other breaches of information security. We increasingly rely on information technology and other systems (particularly as our Interactive segment grows), including our own systems and those of service providers and third parties, to manage our business and employee data and maintain and transmit customers' personal and financial information, payment settlements, payment funds transmissions, mailing lists, and reservations information. Our collection of such data is subject to extensive regulation by private groups, such as the payment card industry, as well as governmental authorities, including gaming regulatory authorities. Privacy regulations continue to evolve, and we have taken, and will continue to take, steps to comply by implementing processes designed to safeguard the confidential and personal information of our business, employees, and customers. In addition, our security measures are reviewed and evaluated regularly. However, our information and processes and those of our service providers and other third parties, including our contractors and contractors of our service providers and vendors, are subject to the ever- changing threat of compromised security, in the form of a risk of potential breach, system failure, computer virus, or unauthorized or fraudulent use by customers, company employees, company contractors and other third parties including employees and contractors of third- party vendors. In recognition of these heightened risks, our Board of Directors and Audit Committee receive regular presentations and reports on material cybersecurity risks which might impact us. See Item 1C. Cybersecurity of this Annual Report on Form 10- K for additional detail regarding the programs, policies, and procedures we have in place to identify, prevent and detect any breaches, viruses, or other forms of unauthorized access. The steps we take to deter and mitigate the risks of attacks may not be successful, and any resulting compromise or loss of data or systems could adversely impact operations or regulatory compliance and could result in remedial expenses, fines, litigation, disclosures, and loss of reputation, potentially impacting our financial results. Further, as cyber- attacks continue to evolve, we may incur significant costs in our attempts to modify or enhance our protective measures or investigate or remediate any actual or perceived vulnerability. Increased instances of cyber- attacks may also have a negative reputational impact on us and our properties that may result in a loss of customer confidence and, as a result, may have a material adverse effect on our business, financial condition, results of operations, and cash flows. **We have experienced attempts by unauthorized third parties to damage, exploit, disrupt or gain access to our networks, our products and services, consumer information, and our supporting infrastructure. While to date none of these incidents has had a material impact on us, we expect to continue to be targeted in the future. Any failure to prevent or mitigate security breaches or cyber risk could result in interruptions to the services we provide, degrade the user experience, and cause our users to lose confidence in our products and services.** The ~~capacity under~~ **unauthorized access, acquisition** ~~our~~ **or disclosure** ~~Amended Revolving Credit Facility is $ 1. 0 billion,~~ of ~~which $ 977. 5 million is available as of December 31~~ **consumer information could compel us to comply with disparate breach notification laws and otherwise subject us to proceedings by governmental entities** , **including gaming regulatory authorities,** ~~2022. Our Amended Revolving Credit Facility expires in 2027. There is no certainty that our~~ **or others, and substantial legal and financial liability** ~~lenders will continue to remain solvent or fund their respective obligations under our Amended Credit Facilities~~ . **This could harm** ~~There is no assurance that~~ our business **and reputation, disrupt** ~~will generate sufficient cash flow from operations or~~ **our relationships** ~~that future borrowings will be available to us under our Amended Credit Facilities in amounts sufficient to enable us to fund our liquidity needs, including~~ with ~~respect to~~ **partners and diminish** our **competitive position** ~~indebtedness. Our variable rate borrowings expose us to interest rate volatility, which could cause our debt service obligations to increase significantly~~ . We ~~also~~ **are or** may **become involved** ~~incur indebtedness related to properties we develop or acquire~~ in **legal proceedings** ~~the future prior to generating cash flow from those properties. If those properties do not provide us with cash flow to service that indebtedness~~ , ~~we will need to rely on cash flow from our other properties, which would increase our leverage. In addition, if we consummate significant acquisitions in the future, our cash requirements may increase significantly. From time to time, we are defendants in various lawsuits relating to matters incidental to our business. The nature of our business subjects us to the risk of lawsuits filed by customers, past~~ and ~~present employees, competitors, business partners, and others in the ordinary course of business (particularly in the case of class actions). As with all litigation,~~ no assurance can be provided as to the outcome of these matters **. From time to time, we are defendants in various lawsuits relating to matters incidental to our business. The nature of our business subjects us to the risk of lawsuits filed by customers, past and present employees, competitors, business partners, and others in the ordinary course of business (particularly in the case of class actions). As with all litigation, no assurance can be provided as to the outcome of these matters** and, in general, litigation can be expensive and time consuming. We may not be successful in these lawsuits, and, especially with increasing class action claims in our industry, litigation could result in costs, settlements, or damages that could significantly impact our **business,** financial condition, results of operations, and cash flows. As owners and managers of retail casino gaming, **iCasino** ~~online gaming~~ , sports betting, video lottery, VGTs, and pari- mutuel wagering operations, we are subject to extensive state, provincial and local regulation. These gaming regulatory authorities have broad discretion, and may, for any reason set forth in the applicable legislation, rules and regulations, limit, condition, suspend, fail to renew or revoke a license or registration to conduct gaming operations or prevent us from owning the securities of any of our gaming subsidiaries or prevent another person from owning an equity interest in us. ~~Like all gaming operators in the jurisdictions in which we operate, we must periodically apply to renew our gaming licenses or registrations and have the suitability of certain of our directors, officers, employees and contractors approved. There is no assurance that we will be able to obtain such renewals or approvals.~~ Gaming regulatory authorities have input into our operations, for instance, **our** hours of operation, **the** location or relocation of ~~a facility~~ **any of our properties** , numbers and types of slot machines and table games, and the types of sports events or casino games we may offer as part of our sports betting and **iCasino** ~~online gaming~~ operations. Gaming regulatory authorities may not have extensive experience in the digital media industry, which may present unique challenges in regulating our business. Regulators may also levy substantial fines or penalties against us or our subsidiaries for violations of gaming laws or regulations, or against the people involved in violating such gaming laws or regulations, and / or seize our assets or the assets of our subsidiaries. Any of these events could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows. Regulations governing the conduct of gaming activities and the obligations of gaming companies in any jurisdiction in which we have or in the future may have gaming operations are subject to change and could impose additional operating, financial, competitive or other burdens on the way we conduct our business. In particular, certain areas of law governing new gaming activities, such as the federal, state **,** and provincial laws applicable to retail casino gaming, online ~~gaming~~ **casinos** , and sports betting, are new or developing in light of emerging technologies ~~. New and developing areas of law may be subject to the interpretation of the government agencies tasked with enforcing them and / or courts in which parties challenge the interpretation or enforcement of them. In some circumstances, a government agency may interpret a statute or regulation in one manner and then reconsider its interpretation at a later date~~ . No assurance can be provided that government agencies will interpret or enforce new or developing areas of law consistently, predictably, or favorably. Moreover, legislation or regulation to prohibit, limit, or add burdens to increase taxes on our business may be introduced in the future in jurisdictions where gaming has been legalized. In addition, from time to time, legislators and special interest groups have proposed legislation that would expand, restrict **,** or prevent gaming operations or which may otherwise adversely impact our operations in the jurisdictions in which we operate. Any expansion of gaming or restriction on or prohibition of our gaming operations or enactment of other adverse regulatory changes could have a material adverse effect on our **business, financial condition, and** operating results. Certain public and private issuances of securities and other transactions that we are party to also require the approval of some gaming regulatory authorities. We have demonstrated suitability to obtain and have obtained all governmental licenses, registrations, permits, and approvals necessary for ~~us to operate~~ our existing gaming and pari- mutuel properties and sports betting and **iCasino operations** ~~online gaming businesses~~ . There can be no assurance that we will be able to retain and renew those existing licenses or demonstrate suitability to obtain any new licenses, registrations, permits, or approvals. In addition, the loss of a license, registration, permit or approval in one jurisdiction could trigger the loss of a license, registration, permit or approval or affect our eligibility for a license, registration, permit or approval in another jurisdiction. As we expand our gaming operations in our existing jurisdictions or to new jurisdictions, we may have to meet additional suitability requirements and obtain additional licenses, registrations, permits and approvals from gaming regulatory authorities in these jurisdictions. The approval process can be time- consuming and costly, and we cannot be sure that we will be successful. Furthermore, this risk is particularly pertinent to our ~~online gaming and~~ sports betting **and iCasino** initiatives because regulations in this area are not as fully developed or established. Gaming regulatory authorities generally can require that any record holder or beneficial owner of our securities file an application for a license or similar finding of suitability. If a gaming regulatory authority requires a record holder or beneficial owner of our securities to file a suitability application, the owner must generally apply for a finding of suitability within 30 days or at an earlier time prescribed by the gaming regulatory authority. The gaming regulatory authority also has the power to investigate such an owner' s suitability and the owner must pay all costs of the investigation. If the owner is found unsuitable or fails to apply when required to do so, then the owner may be required by law to dispose of our securities. Our directors, officers, key employees, joint venture partners **,** and vendors must also meet approval standards of certain gaming regulatory authorities. If gaming regulatory authorities were to find a person occupying any such position unsuitable, we may be required to sever our relationship with that person, joint venture partner or vendor. Gaming regulatory authorities may also conduct investigations into the conduct or associations of our directors, officers, key employees, joint venture partners or vendors to ensure compliance with applicable laws, regulations **,** and standards. We are subject to certain federal, state, provincial **and other regulations. We are subject to certain federal, state, provincial,** and local laws, regulations and ordinances that apply to businesses generally. The Bank Secrecy Act, enforced by the Financial Crimes Enforcement Network (" FinCEN ") of the U. S. Treasury Department, requires us to report currency transactions in excess of $ 10, 000 occurring within a gaming day, including identification of the guest by name and social security number, to the IRS. This regulation also requires us to report certain suspicious activity, including any transaction that exceeds $ 5, 000 that we know, suspect or have reason to believe involves funds from illegal activity or is designed to evade federal regulations or reporting requirements and to verify sources of funds, in response to which we have implemented Know Your Customer processes. Periodic audits by the IRS and our internal audit department assess compliance with the Bank Secrecy Act, and substantial penalties can be imposed against us if we fail to comply with this regulation. In recent years the U. S. Treasury Department has increased its focus on Bank Secrecy Act compliance throughout the gaming industry, and public comments by FinCEN suggest that casinos should obtain information on each customer' s sources of income. This could impact our ability to attract and retain casino guests. Further, since we deal with significant amounts of cash in our operations, we are subject to various reporting and anti- money laundering regulations. Any violation of anti- money laundering laws or regulations, or any accusations of money laundering or regulatory investigations into possible money laundering activities, by any of our properties, online gaming operations, employees, partners, affiliates, or customers could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows. The riverboats on which we operate must also comply with certain federal and state laws and regulations with respect to boat design, on- board facilities, equipment, personnel, and safety. In addition, we are required to have third parties periodically inspect and certify all of our casino barges for stability and single compartment flooding integrity. The casino barges on which we operate also must meet local fire safety standards. We would incur additional costs if any of the gaming facilities on which we operate were not in compliance with one or more of these regulations. We are also subject to a variety of other federal, state **,** and local laws and regulations, including those relating to zoning, construction, land use, employment, marketing, and advertising and the production, sale **,** and service of alcoholic beverages. If we are not in compliance with these laws and regulations or we are subject to a substantial penalty, it could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows. Legislation in various forms to ban or substantially curtail indoor tobacco smoking in public places has been enacted or introduced in many states and local jurisdictions, including several of the jurisdictions in which we operate. We believe the smoking restrictions have significantly impacted business volumes. If additional smoking restrictions are enacted within jurisdictions where we operate or seek to do business, our financial condition, results of operations, and cash flows could be adversely affected ~~. Changes to consumer privacy laws could adversely affect our ability to market our products effectively and may require us to change our business practices or expend significant amounts on compliance with such laws~~ . We rely on a variety of direct marketing techniques, including email marketing, online advertising, and postal mailings in our business. Any further restrictions in laws such as the CAN- SPAM Act, the Telephone Consumer Protection Act, the Do- Not- Call- Implementation Act, applicable Federal Communications Commission telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the FTC Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Canada' s Anti- Spam Law and various U. S. state and Canadian provincial laws, or new federal, state or provincial laws on marketing and solicitation or international privacy, e- privacy, and anti- spam laws that govern these activities could adversely affect the continuing effectiveness of email, online advertising, and postal mailing techniques and could force further changes in our marketing strategy. If this occurs, we may not be able to develop adequate alternative marketing strategies, which could impact the amount and timing of our sales of certain products. Further, certain of our products and services depend on the ability to use non- public personal, financial transaction, and or other information relating to patrons, which we may collect and or obtain from travel service providers or other companies with whom we have substantial relationships. To the extent that we collect, control, or process such information, federal, state, provincial and foreign privacy laws and regulations, including without limitation the California Consumer Privacy Act (including the amended California Privacy Rights Act), the EU' s General Data Protection Regulation, Ontario, Canada' s Freedom of Information and Protection of Privacy Act, and Canada' s Personal Information Protection and Electronic Documents Act, require us to make disclosures regarding our privacy and information sharing practices, safeguard and protect the privacy of such information, and, in some cases, provide patrons the opportunity to " opt out " of the use of their information for certain purposes, any of which could limit our ability to leverage existing and future databases of information which could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows. We must comply with federal, state, provincial **,** and foreign requirements regarding notice and consent to obtain, use, share, transmit and store such information, including providing the opportunity and mechanisms to " opt out " from certain uses in some jurisdictions. Furthermore, we may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that we are not able to reconcile such obligations, we may be required to change business practices or face liability or sanction. To the extent that we fail to comply with applicable consumer protection and data privacy laws, we may become subject to actions by regulatory authorities and / or individuals (including private right of action in some jurisdictions), which may result in the payment of fines or the imposition of other monetary or non- monetary penalties. We are subject to various federal, state, and local environmental laws and regulations that govern our operations, including emissions and discharges into the environment, and the handling and disposal of hazardous and non- hazardous substances and wastes. Failure to comply with such laws and regulations could result in costs for corrective action, penalties or the imposition of other liabilities or restrictions. From time to time, we have incurred and are incurring costs and obligations for correcting environmental noncompliance matters. The extent of such potential conditions cannot be determined definitively. To date, none of these matters have had a material adverse effect on our financial condition, results of operations, and cash flows; however, there can be no assurance that such matters will not have such an effect in the future. We also are subject to laws and regulations that impose liability and clean- up responsibility for releases of other hazardous substances into the environment. Under certain of these laws and regulations, a current or previous owner or operator of the property may be liable for the costs of remediating contaminated soil or groundwater on or from its property, without regard to whether the owner or operator knew of, or caused, the contamination, as well as incur liability to third parties impacted by such contamination. The presence of contamination, or failure to remediate it properly, may adversely affect our ability to use, sell or rent property. Under our contractual arrangements under the Triple Net Leases, we will generally be responsible for both past and future environmental liabilities associated with our gaming operations, notwithstanding ownership of the underlying real property having been transferred. Furthermore, we are aware that there is or may have been soil or groundwater or other contamination at certain of our properties resulting from current or former operations. These environmental conditions may require remediation in isolated areas. The extent of such potential conditions cannot be determined definitely, and may result in additional expense in the event that additional or currently unknown conditions are detected. We believe that the prospect of generating incremental revenue is one of the primary reasons that jurisdictions permit or expand legalized gaming. As a result, gaming companies are typically subject to revenue- based taxes and fees in addition to normal federal, state, provincial and local income taxes, and such taxes and fees are subject to increase at any time. We pay substantial taxes and fees with respect to our operations **, and changes to taxes and fees in our existing jurisdictions could have a material impact on our profitability** . From time- to- time, federal, state, provincial **,** and local legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Worsening economic conditions could intensify the efforts of state, provincial **,** and local governments to raise revenues through increases in gaming taxes, property taxes and / or by authorizing additional gaming properties each subject to payment of a new license fee. It is not possible to determine with certainty the likelihood of changes in such laws or in the administration of such laws. Such changes, if adopted, could have a material adverse effect on our **business,** financial condition, results of operations, and cash flows. Available Information We maintain a website at www. pennentertainment. com that includes more information about us. The contents of our website are not part of this Annual Report on Form 10- K. Our electronic filings with the U. S. Securities and Exchange Commission (" SEC ") (including all Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q, and Current Reports on Form 8- K, and any amendments to these reports), including the exhibits, are available free of charge through our website as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. Our filings are also available through a database maintained by the SEC at www. sec. gov.