LIGHT & WONDER, INC.

FORM 10-Q
(Quarterly Report)

Filed 05/07/25 for the Period Ending 03/31/25

Address	6601 BERMUDA ROAD
	LAS VEGAS, NV, 89119
Telephone	7028977150
CIK	0000750004
Symbol	LNWO
SIC Code	7373 - Services-Computer Integrated Systems Design
Industry	Casinos & Gaming
Sector	Consumer Cyclicals
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2025

OR

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

For the transition period from to

Commission file number: 001-11693

LIGHT & WONDER, INC.

(Exact name of registrant as specified in its charter)

Nevada	**81-0422894**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6601 Bermuda Road, Las Vegas, Nevada	**89119**
(Address of principal executive offices)	(Zip Code)

(702) 897-7150

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.001 par value	**LNW**	**The Nasdaq Stock Market**

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

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

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

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

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

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

Common stock outstanding as of May 2, 2025 was 84,378,631.

LIGHT & WONDER, INC. AND SUBSIDIARIES
INDEX TO FINANCIAL AND OTHER INFORMATION
THREE MONTHS ENDED MARCH 31, 2025

Glossary of Terms

The following terms or acronyms used in this Quarterly Report on Form 10-Q are defined below:

Term or Acronym	Definition
2024 10-K	2024 Annual Report on Form 10-K filed with SEC on February 25, 2025
2028 Unsecured Notes	7.000% senior unsecured notes due 2028 issued by LNWI
2029 Unsecured Notes	7.250% senior unsecured notes due 2029 issued by LNWI
2031 Unsecured Notes	7.500% senior unsecured notes due 2031 issued by LNWI
AEBITDA	Adjusted EBITDA, our primary performance measure of profit or loss for our business segments
ASC	Accounting Standards Codification
ASX	Australian Securities Exchange
CMS	casino-management system
D&A	depreciation, amortization and impairments (excluding goodwill)
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
KPIs	Key Performance Indicators
L&W	Light & Wonder, Inc.
LBO	licensed betting office
LNWI	Light and Wonder International, Inc., a wholly-owned subsidiary of L&W and successor to Scientific Games International, Inc.
LNWI Credit Agreement	That certain credit agreement, dated as of April 14, 2022, among LNWI, as the borrower, L&W, as a guarantor, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and Swingline Lender, BofA Securities, Inc., BNP Paribas Securities Corp., Deutsche Bank Securities Inc., Fifth Third Bank, National Association, Barclays Bank PLC, Citizens Bank, N.A., Goldman Sachs Bank USA, Morgan Stanley Senior Funding, Inc., Royal Bank of Canada, Truist Securities, Inc., Credit Suisse Loan Funding LLC and Macquarie Capital (USA) Inc. as Lead Arrangers and Joint Bookrunners, as amended, restated, amended and restated, supplemented or otherwise modified from time to time
LNWI Revolver	Revolving credit facility with aggregate commitments of $1.0 billion extended pursuant to the LNWI Credit Agreement
LNWI Term Loan B	Term loan facility, issued pursuant to the LNWI Credit Agreement
Note	a note in the Notes to Consolidated Financial Statements in this Quarterly Report on Form 10-Q, unless otherwise indicated
Participation	refers to gaming machines provided to customers through service or leasing arrangements in which we earn revenues and are paid based on: (1) a percentage of the amount wagered less payouts; (2) fixed daily-fees; (3) a percentage of the amount wagered; or (4) a combination of (2) and (3)
R&D	research and development
RSU	restricted stock unit
SciPlay	Our SciPlay business segment
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Senior Notes or Unsecured Notes	refers to the 2028 Unsecured Notes, 2029 Unsecured Notes and 2031 Unsecured Notes, collectively
SG&A	selling, general and administrative
Shufflers	various models of automatic card shufflers, deck checkers and roulette chip sorters
SOFR	Secured Overnight Financing Rate
U.S. GAAP	accounting principles generally accepted in the U.S.
U.S. jurisdictions	the 50 states in the U.S. plus the District of Columbia, U.S. Virgin Islands and Puerto Rico
VGT	video gaming terminal
VLT	video lottery terminal

Intellectual Property Rights

FORWARD-LOOKING STATEMENTS

Throughout this Quarterly Report on Form 10-Q, we make "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect," "anticipate," "target," "should," "could," "potential," "opportunity," "goal," or similar terminology. The forward-looking statements contained in this Quarterly Report on Form 10-Q are generally located in the material set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" but may be found in other locations as well. These statements are based upon management's current expectations, assumptions and estimates and are not guarantees of timing, future results or performance. Therefore, you should not rely on any of these forward-looking statements as predictions of future events. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties and other factors, including, among other things:

- our inability to successfully execute our strategy;
- slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions and declines in the replacement cycle of gaming machines;
- risks relating to foreign operations, including anti-corruption laws, fluctuations in currency rates, restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability;
- difficulty predicting what impact new or increased tariffs imposed by and other trade actions taken by the U.S. and foreign jurisdictions could have on our business;
- U.S. and international economic and industry conditions, including changes in consumer sentiment and discretionary spending, increases in benchmark interest rates and the effects of inflation;
- public perception of our response to environmental, social and governance issues;
- the effects of health epidemics, contagious disease outbreaks and public perception thereof;
- changes in, or the elimination of, our share repurchase program;
- resulting pricing variations and other impacts of our common stock being listed to trade on more than one stock exchange;
- level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs;
- inability to further reduce or refinance our indebtedness;
- restrictions and covenants in debt agreements, including those that could result in acceleration of the maturity of our indebtedness;
- competition;
- inability to win, retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts;
- risks and uncertainties of ongoing changes in U.K. gaming legislation, including any new or revised licensing and taxation regimes, responsible gambling requirements and/or sanctions on unlicensed providers;
- inability to adapt to, and offer products that keep pace with, evolving technology, including any failure of our investment of significant resources in our R&D efforts;
- failure to retain key management and employees;
- unpredictability and severity of catastrophic events, including but not limited to acts of terrorism, war, armed conflicts or hostilities, the impact such events may have on our customers, suppliers, employees, consultants, business partners or operations, as well as management's response to any of the aforementioned factors;
- changes in demand for our products and services;
- dependence on suppliers and manufacturers;
- SciPlay's dependence on certain key providers;
- ownership changes and consolidation in the gaming industry;
- fluctuations in our results due to seasonality and other factors;
- the risk that the conditions to the closing of the proposed Grover Gaming charitable business ("Grover Charitable Gaming") acquisition, including the receipt of regulatory and gaming approvals, may not be satisfied;
- the risk that a material adverse change, event or occurrence may affect the Company and Grover Charitable Gaming prior to the closing of the proposed Grover Charitable Gaming acquisition and may delay the proposed transaction or cause the companies to abandon the proposed transaction;

- the risk that the proposed Grover Charitable Gaming acquisition may involve unexpected costs, liabilities or delays;
- the risk that the businesses of the Company and Grover Charitable Gaming may suffer as a result of uncertainty surrounding the proposed Grover Charitable Gaming acquisition;
- the risk that disruptions from the proposed Grover Charitable Gaming acquisition will harm relationships with customers, employees and suppliers;
- the possibility that the Company may be unable to achieve expected financial, operational and strategic benefits of the proposed Grover Charitable Gaming acquisition and may not be able to successfully integrate Grover Charitable Gaming into the Company's operations;
- risks as a result of being publicly traded in the United States and Australia, including price variations and other impacts relating to the secondary listing of the Company's common stock on the ASX;
- risks relating to consideration of a dual primary listing on both the NASDAQ and the ASX or sole primary listing on the ASX, including delisting our securities from NASDAQ, which could negatively affect the liquidity and trading prices of our common stock and could result in less disclosure about the Company;
- the possibility that we may be unable to achieve expected operational, strategic and financial benefits of the SciPlay merger;
- security and integrity of our products and systems, including the impact of any security breaches or cyber-attacks;
- protection of our intellectual property, inability to license third-party intellectual property and the intellectual property rights of others;
- reliance on or failures in information technology and other systems;
- litigation and other liabilities relating to our business, including litigation and liabilities relating to our contracts and licenses, our products and systems (including further developments in the Dragon Train litigation described under "Aristocrat Matters" in Note 15), our employees (including labor disputes), intellectual property, environmental laws and our strategic relationships;
- reliance on technological blocking systems;
- challenges or disruptions relating to the completion of the domestic migration to our enterprise resource planning system;
- laws, government regulations and potential trade tariffs, both foreign and domestic, including those relating to gaming, data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information and other consumer data, and environmental laws, and those laws and regulations that affect companies conducting business on the Internet, including online gambling;
- legislative interpretation and enforcement, regulatory perception and regulatory risks with respect to gaming, including Internet wagering, social gaming and sweep-stakes;
- changes in tax laws or tax rulings, or the examination of our tax positions;
- opposition to legalized gaming or the expansion thereof and potential restrictions on Internet wagering;
- significant opposition in some jurisdictions to interactive social gaming, including social casino gaming and how such opposition could lead these jurisdictions to adopt legislation or impose a regulatory framework to govern interactive social gaming or social casino gaming specifically, and how this could result in a prohibition on interactive social gaming or social casino gaming altogether, restrict our ability to advertise our games, or substantially increase our costs to comply with these regulations;
- expectations of shift to regulated digital gaming;
- inability to develop successful products and services and capitalize on trends and changes in our industries, including the expansion of Internet and other forms of digital gaming;
- the continuing evolution of the scope of data privacy and security regulations, and our belief that the adoption of increasingly restrictive regulations in this area is likely within the U.S. and other jurisdictions;
- incurrence of restructuring costs;
- goodwill impairment charges including changes in estimates or judgments related to our impairment analysis of goodwill or other intangible assets;
- stock price volatility;
- failure to maintain adequate internal control over financial reporting;
- dependence on key executives;
- natural events that disrupt our operations, or those of our customers, suppliers or regulators; and
- expectations of growth in total consumer spending on social casino gaming.

Additional information regarding risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the SEC, including under "Risk Factors" in *Part II, Item 1A* of this Quarterly Report on Form 10-Q and *Part I, Item 1A* in our 2024 10-K. Forward-looking statements speak only as of the date they are made and, except for our ongoing obligations under the U.S. federal securities laws, we undertake no and expressly disclaim any obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

You should also note that this Quarterly Report on Form 10-Q may contain references to industry market data and certain industry forecasts. Industry market data and industry forecasts are obtained from publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. Although we believe industry information to be accurate, it is not independently verified by us and we do not make any representation as to the accuracy of that information. In general, we believe there is less publicly available information concerning the international gaming, charitable gaming, social and digital gaming industries than the same industries in the U.S.

Due to rounding, certain numbers presented herein may not precisely recalculate.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

LIGHT & WONDER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)

	Three Months Ended March 31,	
	2025	**2024**
Revenue:		
Services	$ 527	$ 517
Products	247	239
Total revenue	774	756
Operating expenses:		
Cost of services[(1)]	111	112
Cost of products[(1)]	100	107
Selling, general and administrative	217	218
Research and development	65	62
Depreciation, amortization and impairments	91	86
Restructuring and other	20	6
Operating income	170	165
Other (expense) income:		
Interest expense	(68)	(75)
Loss on debt financing transactions	(1)	—
Other income, net	4	10
Total other expense, net	(65)	(65)
Net income before income taxes	105	100
Income tax expense	(23)	(18)
Net income	$ 82	$ 82
Basic and diluted net income per share:		
Basic	$ 0.97	$ 0.91
Diluted	$ 0.94	$ 0.88
Weighted average number of shares used in per share calculations:		
Basic shares	85	90
Diluted shares	87	92

(1) Excludes D&A.

See accompanying notes to condensed consolidated financial statements.

LIGHT & WONDER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Three Months Ended March 31,	
	2025	**2024**
Net income	$ 82	$ 82
Other comprehensive income (loss)		
Foreign currency translation gain (loss), net of tax	48	(29)
Derivative financial instruments unrealized (loss) gain, net of tax	(5)	6
Total other comprehensive income (loss)	43	(23)
Total comprehensive income	$ 125	$ 59

See accompanying notes to condensed consolidated financial statements.

LIGHT & WONDER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except par value)

	As of	
	March 31, 2025	**December 31, 2024**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 134	$ 196
Restricted cash	128	110
Receivables, net of allowance for credit losses of $34 and $35, respectively	629	585
Inventories	169	158
Prepaid expenses, deposits and other current assets	124	134
Total current assets	1,184	1,183
Non-current assets:		
Restricted cash	5	6
Receivables, net of allowance for credit losses of $5	93	97
Property and equipment, net	291	286
Operating lease right-of-use assets	42	44
Goodwill	2,919	2,890
Intangible assets, net	429	454
Software, net	166	161
Deferred income taxes	256	229
Other assets	70	71
Total assets	$ 5,455	$ 5,421
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 23	$ 23
Accounts payable	244	216
Accrued liabilities	434	447
Income taxes payable	52	49
Total current liabilities	753	735
Deferred income taxes	12	12
Operating lease liabilities	29	31
Other long-term liabilities	157	160
Long-term debt, excluding current portion	3,884	3,847
Total liabilities	4,835	4,785
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock, par value $0.001 per share, 199 shares authorized; 118 and 117 shares issued, respectively, and 85 and 86 shares outstanding, respectively	1	1
Additional paid-in capital	1,226	1,200
Retained earnings	1,098	1,016
Treasury stock, at cost, 33 and 31 shares, respectively	(1,383)	(1,216)
Accumulated other comprehensive loss	(322)	(365)
Total stockholders' equity	620	636
Total liabilities and stockholders' equity	$ 5,455	$ 5,421

See accompanying notes to condensed consolidated financial statements.

LIGHT & WONDER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net income	$ 82	$ 82
Adjustments to reconcile net income to net cash provided by operating activities	107	83
Changes in working capital accounts, excluding the effects of acquisition	(4)	6
Net cash provided by operating activities	185	171
Cash flows from investing activities:		
Capital expenditures	(61)	(66)
Other	(1)	(5)
Net cash used in investing activities	(62)	(71)
Cash flows from financing activities:		
Borrowings under revolving credit facility	110	—
Repayments under revolving credit facility	(70)	—
Payments on long-term debt	(5)	—
Payments of debt issuance and deferred financing costs	(3)	(2)
Payments on license obligations	(5)	(5)
Purchase of L&W common stock	(166)	(25)
Net redemptions of common stock under stock-based compensation plans and other	(32)	(33)
Net cash used in financing activities	(171)	(65)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	3	(3)
(Decrease) increase in cash, cash equivalents and restricted cash	(45)	32
Cash, cash equivalents and restricted cash, beginning of period	312	521
Cash, cash equivalents and restricted cash, end of period	$ 267	$ 553
Supplemental cash flow information:		
Cash paid for interest	$ 54	$ 63
Income taxes paid	24	8
Supplemental non-cash transactions:		
Non-cash interest expense	$ 2	$ 2

See accompanying notes to condensed consolidated financial statements.

(1) Description of the Business and Summary of Significant Accounting Policies

Description of the Business

We are a leading cross-platform global games company with a focus on content and digital markets. Our portfolio of revenue-generating activities primarily includes supplying game content and gaming machines, CMSs and table game products and services to licensed gaming entities; providing social casino and other online games, including casual gaming, to retail customers; and providing a comprehensive suite of digital gaming content, distribution platforms and player account management systems, as well as various other iGaming content and services. We report our results of operations in three reportable business segments—Gaming, SciPlay and iGaming—representing our different products and services.

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and include the accounts of L&W, its wholly owned subsidiaries and those subsidiaries in which we have a controlling financial interest. All intercompany balances and transactions have been eliminated in consolidation.

In the opinion of L&W and its management, we have made all adjustments necessary to present fairly our condensed consolidated financial position, results of operations, comprehensive income and cash flows for the periods presented. Such adjustments are of a normal, recurring nature. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in our 2024 10-K. Interim results of operations are not necessarily indicative of results of operations to be expected for a full year.

Significant Accounting Policies

There have been no changes to our significant accounting policies described within the Notes of our 2024 10-K.

Computation of Basic and Diluted Net Income Per Share

Basic and diluted net income per share are based upon net income divided by the weighted average number of common shares outstanding during the period. Diluted net income per share reflects the effect of the assumed exercise of stock options and RSUs only in the periods in which such effect would have been dilutive to net income.

For the three months ended March 31, 2025 and 2024 we included 2 million of common stock equivalents in the calculation of diluted net income per share.

Pending Acquisition

On February 17, 2025, we entered into a purchase agreement with Grover Gaming, Inc. and G2 Gaming, Inc. to acquire certain assets and assume certain liabilities constituting Grover Charitable Gaming, a leading provider of electronic pull-tabs distributed over five U.S. states: North Dakota, Ohio, Virginia, Kentucky and New Hampshire. The total consideration to be paid in connection with this transaction consists of $850 million in cash at closing, subject to certain customary purchase price adjustments as set forth in the purchase agreement, and up to $200 million in cash in the aggregate in the form of contingent acquisition consideration payments over a four-year period based on achievement of certain revenue and business expansion metrics. The transaction is expected to close during the second quarter of 2025, subject to required regulatory and other approvals and customary closing conditions. Our lead arranger has obtained commitments, subject to customary closing conditions, for a three-year, $800 million Term Loan A credit facility at leverage-based pricing expected to be in line with our current LNWI Revolver credit facility, the proceeds of which will be used for the financing of the pending Grover Charitable Gaming acquisition.

New Accounting Guidance

There have been no recent accounting pronouncements or changes in accounting pronouncements since those described within Note 1 of our 2024 10-K that are expected to have a material impact on our consolidated financial statements.

(2) Revenue Recognition

The following table disaggregates our revenues by type within each of our reportable business segments:

	Three Months Ended March 31,	
	2025	2024
Gaming		
Gaming operations	$ 173	$ 164
Gaming machine sales	208	205
Gaming systems	63	60
Table products	51	47
Total	$ 495	$ 476
SciPlay		
Third-party platforms and other[(1)]	$ 175	$ 194
Direct-to-consumer platforms	27	12
Total	$ 202	$ 206
iGaming	$ 77	$ 74

(1) Other primarily represents advertising revenue, which was not material for the periods presented.

The amount of rental income revenue included in services revenue within the consolidated statement of operations that is outside the scope of ASC 606 was $138 million and $127 million for the three months ended March 31, 2025 and 2024, respectively.

Contract Liabilities and Other Disclosures

The following table summarizes the activity in our contract liabilities for the reporting period:

	Three Months Ended March 31, 2025
Contract liability balance, beginning of period[(1)]	$ 21
Liabilities recognized during the period	10
Amounts recognized in revenue from beginning balance	(8)
Contract liability balance, end of period[(1)]	$ 23

(1) Contract liabilities are included within Accrued liabilities and Other long-term liabilities in our consolidated balance sheets.

The timing of revenue recognition, billings and cash collections results in billed receivables, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on our consolidated balance sheets. Other than contracts with customers with financing arrangements exceeding 12 months, revenue recognition is generally proximal to conversion to cash. The following table summarizes our balances in these accounts for the periods indicated (other than contract liabilities disclosed above):

	Receivables	Contract Assets[(1)]
Beginning of period balance	$ 682	$ 43
End of period balance, March 31, 2025	722	45

(1) Contract assets are included primarily within Prepaid expenses, deposits and other current assets in our consolidated balance sheets.

As of March 31, 2025, we did not have material unsatisfied performance obligations for contracts expected to be long-term or contracts for which we recognize revenue at an amount other than that for which we have the right to invoice for goods or services delivered or performed.

(3) Reportable Segments

We report our operations in three reportable business segments—Gaming, SciPlay and iGaming—representing our different products and services. A detailed discussion regarding the products and services from which each reportable business segment derives its revenue is included in Notes 2 and 3 in our 2024 10-K.

In evaluating financial performance, our Chief Operating Decision Maker (defined as our Chief Executive Officer) focuses on AEBITDA as management's primary segment measure of profit or loss, which is described in footnote (5) to the

below table. Our CODM uses reportable business segment AEBITDA to evaluate the performance of each reportable business segment and to allocate resources. Additionally, AEBITDA is one of the key metrics used in our incentive compensation program. The accounting policies for our reportable segments are the same as those described within the Notes in our 2024 10-K. The following tables present our reportable segment information:

	Three Months Ended March 31, 2025					
	Gaming	SciPlay	iGaming	Total Reportable Segments	Unallocated and Reconciling Items[1]	Total
Total revenue	$ 495	$ 202	$ 77	$ 774	$ —	$ 774
Cost of revenue[2]	(131)	(55)	(25)	(211)	—	(211)
Payroll and related[3]	(83)	(27)	(16)	(126)	—	(126)
Other segment reconciling items[4]	(27)	(56)	(9)	(92)	(34)	(126)
AEBITDA[5]	254	64	27	345	(34)	311
Reconciling items to net income before income taxes:						
Restructuring and other	(5)	—	(7)	(12)	(8)	(20)
D&A					(91)	(91)
Interest expense					(68)	(68)
Loss on debt financing transactions					(1)	(1)
Other income, net					1	1
Stock-based compensation					(27)	(27)
Net income before income taxes						$ 105
Capital expenditures for the three months ended March 31, 2025	$ 49	$ 5	$ 5	$ 59	$ 2	$ 61

(1) Includes amounts not allocated to the reportable segments (including corporate costs) and items to reconcile the total reportable segments AEBITDA to our consolidated net income before income taxes.

(2) Excludes D&A.

(3) Excludes stock-based compensation.

(4) Primarily represents various other non-payroll related operating expenses, including but not limited to, professional and legal services, marketing, facilities and operating leases, maintenance and other operating expenses.

(5) AEBITDA is reconciled to net income before income taxes with the following adjustments, as applicable: (1) depreciation and amortization expense and impairment charges (including goodwill impairments); (2) restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) management restructuring and related costs; (iii) restructuring and integration; (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition- and disposition-related costs, strategic review and other unusual items; (3) interest expense; (4) gain (loss) on debt financing transactions; (5) change in fair value of investments and remeasurement of debt and other; (6) other income (expense), net, including foreign currency gains or losses and earnings from equity investments; and (7) stock-based compensation. AEBITDA is presented as our primary segment measure of profit or loss.

	Three Months Ended March 31, 2024					
	Gaming	SciPlay	iGaming	Total Reportable Segments	Unallocated and Reconciling Items[1]	Total
Total revenue	$ 476	$ 206	$ 74	$ 756	$ —	$ 756
Cost of revenue[2]	(137)	(60)	(22)	(219)	—	(219)
Payroll and related[3]	(77)	(26)	(18)	(121)	—	(121)
Other segment reconciling items[4]	(30)	(58)	(9)	(97)	(38)	(135)
AEBITDA[5]	232	62	25	319	(38)	281
Reconciling items to net income before income taxes:						
Restructuring and other	—	—	(3)	(3)	(3)	(6)
D&A					(86)	(86)
Interest expense					(75)	(75)
Other income, net					8	8
Stock-based compensation					(22)	(22)
Net income before income taxes						$ 100
Capital expenditures for the three months ended March 31, 2024	$ 53	$ 4	$ 7	$ 64	$ 2	$ 66

(1) Includes amounts not allocated to the reportable segments (including corporate costs) and items to reconcile the total reportable segments AEBITDA to our consolidated net income before income taxes.

(2) Excludes D&A.

(3) Excludes stock-based compensation.

(4) Primarily represents various other non-payroll related operating expenses, including but not limited to, professional and legal services, marketing, facilities and operating leases, maintenance and other operating expenses.

(5) AEBITDA is described in footnote (5) to the first table in this Note 3.

The following table summarizes the asset balances of each reportable business segment for the periods indicated:

	Gaming	SciPlay	iGaming	Total Reportable Segments	Unallocated and Reconciling Items[1]	Totals
Assets as of March 31, 2025	$ 3,973	$ 450	$ 773	$ 5,196	$ 259	$ 5,455
Assets as of December 31, 2024	3,964	444	735	5,143	278	5,421

(1) Includes amounts not allocated to the reportable segments (including corporate amounts) and items to reconcile the total reportable segments assets to our consolidated assets.

(4) Restructuring and Other

Restructuring and other includes charges or expenses attributable to: (i) employee severance; (ii) management restructuring and related costs; (iii) restructuring and integration; (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition- and disposition-related costs, strategic review and other unusual items. The following table summarizes pre-tax restructuring and other costs for the periods presented:

	Three Months Ended March 31,	
	2025	2024
Employee severance and related	$ 10	$ 1
Strategic review, acquisitions and related	6	1
Contingent acquisition consideration	—	1
Restructuring, integration and other	4	3
Total	$ 20	$ 6

(5) Receivables, Allowance for Credit Losses and Credit Quality of Receivables

Receivables

The following table summarizes the components of current and long-term receivables, net:

	As of	
	March 31, 2025	December 31, 2024
Current:		
Receivables	$ 663	$ 620
Allowance for credit losses	(34)	(35)
Current receivables, net	629	585
Long-term:		
Receivables	98	102
Allowance for credit losses	(5)	(5)
Long-term receivables, net	93	97
Total receivables, net	$ 722	$ 682

Allowance for Credit Losses

We manage our receivable portfolios using both geography and delinquency as key credit quality indicators. The following table summarizes geographical delinquencies of total receivables, net:

	As of March 31, 2025		As of December 31, 2024	
	Total	Balances over 90 days past due	Total	Balances over 90 days past due
Receivables:				
U.S. and Canada	$ 403	$ 7	$ 369	$ 4
International	358	43	353	39
Total receivables	761	50	722	43
Receivables allowance:				
U.S. and Canada	(15)	(1)	(15)	(1)
International	(24)	(15)	(25)	(15)
Total receivables allowance	(39)	(16)	(40)	(16)
Receivables, net	$ 722	$ 34	$ 682	$ 27

Account balances are charged against the allowances after all internal and external collection efforts have been exhausted and the potential for recovery is considered remote.

The activity in our allowance for receivable credit losses for each of the three months ended March 31, 2025 and 2024 is as follows:

	2025			2024
	Total	U.S. and Canada	International	Total
Beginning allowance for credit losses	$ (40)	$ (15)	$ (25)	$ (41)
Provision	1	—	1	(1)
Charge-offs and recoveries	—	—	—	2
Allowance for credit losses as of March 31	$ (39)	$ (15)	$ (24)	$ (40)

As of March 31, 2025, 5% of our total receivables, net, were past due by over 90 days, compared to 4% as of December 31, 2024.

Credit Quality of Receivables

We have certain concentrations of outstanding receivables in international locations that impact our assessment of the credit quality of our receivables. We monitor the macroeconomic and political environment in each of these locations in our assessment of the credit quality of our receivables. The international customers with significant concentrations (generally

deemed to be exceeding 10%) of our receivables with terms longer than one year are in the Latin America region ("LATAM") and are primarily comprised of Mexico, Peru and Argentina. The following table summarizes our LATAM receivables:

	As of March 31, 2025		
	Total	Current	Balances over 90 days past due
Receivables	$ 67	$ 45	$ 22
Allowance for credit losses	(21)	(12)	(9)
Receivables, net	$ 46	$ 33	$ 13

We continuously review receivables and, as information concerning credit quality and/or overall economic environment arises, reassess our expectations of future losses and record an incremental reserve if warranted at that time. Our current allowance for credit losses represents our current expectation of credit losses; however, future expectations could change as international unrest or other macro-economic factors impact the financial stability of our customers.

The fair value of receivables is estimated by discounting expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings and remaining maturities. As of March 31, 2025 and December 31, 2024, the fair value of receivables, net, approximated the carrying value due to contractual terms of receivables generally being less than 24 months.

(6) Inventories

Inventories consisted of the following:

	As of	
	March 31, 2025	December 31, 2024
Parts and work-in-process	$ 126	$ 126
Finished goods	43	32
Total inventories	$ 169	$ 158

Parts and work-in-process include parts for gaming machines and our finished goods inventory primarily consist of gaming machines for sale.

(7) Property and Equipment, net

Property and equipment, net consisted of the following:

	As of	
	March 31, 2025	December 31, 2024
Land	$ 6	$ 6
Buildings and leasehold improvements	64	64
Gaming machinery and equipment	763	745
Furniture and fixtures	29	29
Construction in progress	10	9
Other property and equipment	108	102
Less: accumulated depreciation	(689)	(669)
Total property and equipment, net	$ 291	$ 286

Depreciation expense is excluded from cost of services, cost of products and other operating expenses and is separately presented within D&A.

	Three Months Ended March 31,	
	2025	2024
Depreciation expense	$ 42	$ 31

(8) Intangible Assets, net and Goodwill

Intangible Assets, net

The following tables present certain information regarding our intangible assets as of March 31, 2025 and December 31, 2024.

	As of					
	March 31, 2025			December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Balance	Gross Carrying Value	Accumulated Amortization	Net Balance
Amortizable intangible assets:						
Customer relationships	$ 901	$ (641)	$ 260	$ 898	$ (624)	$ 274
Intellectual property	932	(816)	116	924	(801)	123
Licenses	293	(248)	45	290	(242)	48
Brand names	129	(126)	3	128	(125)	3
Trade names	162	(161)	1	161	(159)	2
Patents and other	11	(7)	4	11	(7)	4
Total intangible assets	$ 2,428	$ (1,999)	$ 429	$ 2,412	$ (1,958)	$ 454

The following reflects intangible amortization expense included within D&A:

	Three Months Ended March 31,	
	2025	2024
Amortization expense	$ 30	$ 37

Goodwill

The table below reconciles the change in the carrying value of goodwill, by reportable segment, for the period from December 31, 2024 to March 31, 2025.

	Gaming[1]	SciPlay	iGaming	Totals
Balance as of December 31, 2024	$ 2,357	$ 209	$ 324	$ 2,890
Foreign currency adjustments	10	—	19	29
Balance as of March 31, 2025	$ 2,367	$ 209	$ 343	$ 2,919

(1) Accumulated goodwill impairment charges for the Gaming segment as of March 31, 2025 were $989 million.

(9) Software, net

Software, net consisted of the following:

	As of	
	March 31, 2025	December 31, 2024
Software	$ 1,160	$ 1,137
Accumulated amortization	(994)	(976)
Software, net	$ 166	$ 161

The following reflects amortization of software included within D&A:

	Three Months Ended March 31,	
	2025	2024
Amortization expense	$ 19	$ 18

(10) Long-term Debt

The following table reflects our outstanding debt (in order of priority and maturity):

	As of					
	March 31, 2025					December 31, 2024
	Final Maturity	Rate(s)	Face Value	Unamortized debt discount/premium and deferred financing costs, net	Book Value	Book Value
Senior Secured Credit Facilities:						
LNWI Revolver	2030	variable	$ 40	$ —	$ 40	$ —
LNWI Term Loan B	2029	variable	2,151	(22)	2,129	2,133
LNWI Senior Notes:						
2028 Unsecured Notes	2028	7.000%	700	(4)	696	695
2029 Unsecured Notes	2029	7.250%	500	(4)	496	496
2031 Unsecured Notes	2031	7.500%	550	(7)	543	543
Other	—	—	3	—	3	3
Total long-term debt outstanding			$ 3,944	$ (37)	$ 3,907	$ 3,870
Less: current portion of long-term debt					(23)	(23)
Long-term debt, excluding current portion					$ 3,884	$ 3,847
Fair value of debt[1]			$ 3,959			

(1) Fair value of our fixed rate and variable interest rate debt is classified within Level 2 in the fair value hierarchy and has been calculated based on the quoted market prices of our securities.

LNWI Credit Agreement Amendment - Revolver Upsizing

On February 10, 2025, we entered into an amendment to the LNWI Credit Agreement. The amendment, among other things, (i) provided for new revolving commitments under the LNWI Revolver in an amount of $1.0 billion, which replaced the existing revolving commitments (which were in an amount of $750 million), (ii) extended the maturity of the revolving commitments to the earlier of (x) February 10, 2030 and (y) such earlier date that is 91 days prior to the maturity of our existing term loans (scheduled to mature on April 14, 2029) and existing notes (the earliest maturity of which is scheduled for May 15, 2028), solely to the extent more than $500 million of such term loans and/or such applicable notes are outstanding on such earlier date, and subject to us having sufficient liquidity to repay such term loans and/or applicable notes at such time and (iii) reduced the applicable margin for the revolving loans bearing interest at Adjusted Term SOFR Rate (or an alternative benchmark rate for non-US dollar borrowings) to, based upon certain leverage tests, between 2.00% and 1.50% per annum, and for loans bearing interest at a base rate, between 1.00% and 0.50% per annum.

We were in compliance with the financial covenants under all debt agreements as of March 31, 2025 (for information regarding our financial covenants of all debt agreements, see Note 14 in our 2024 10-K).

For additional information regarding the terms of our credit facilities and Senior Notes, see Note 14 in our 2024 10-K.

(11) Fair Value Measurements

The fair value of our financial assets and liabilities is determined by reference to market data and other valuation techniques as appropriate. We believe the fair value of our financial instruments, which are principally cash and cash equivalents, restricted cash, receivables, other current assets, accounts payable and accrued liabilities, approximates their recorded values. Our assets and liabilities measured at fair value on a recurring basis are described below.

Derivative Financial Instruments

As of March 31, 2025, we held the following derivative instruments that were accounted for pursuant to ASC 815:

Interest Rate Swap Contracts

We use interest rate swap contracts as described below to manage exposure to interest rate fluctuations by reducing the uncertainty of future cash flows on a portion of our variable rate debt.

In April 2022, we entered into interest rate swap contracts to hedge a portion of our interest expense associated with our variable rate debt to effectively fix the interest rate that we pay. These interest rate swap contracts were designated as cash flow hedges under ASC 815. We pay interest at a weighted-average fixed rate of 2.8320% and receive interest at a variable rate equal to one-month Chicago Mercantile Exchange Term SOFR. The total notional amount of these interest rate swaps was $700 million as of March 31, 2025. These hedges mature in April 2027.

All gains and losses from these hedges are recorded in other comprehensive income (loss) until the future underlying payment transactions occur. Any realized gains or losses resulting from the hedges are recognized (together with the hedged transaction) as interest expense. We estimate the fair value of our interest rate swap contracts by discounting the future cash flows of both the fixed rate and variable rate interest payments based on market yield curves. The inputs used to measure the fair value of our interest rate swap contracts are categorized as Level 2 in the fair value hierarchy as established by ASC 820.

The following table shows the (loss) gain and interest income on our interest rate swap contracts:

	Three Months Ended March 31,	
	2025	2024
(Loss) gain recorded in accumulated other comprehensive loss, net of tax	$ (5)	$ 6
Interest income related to interest rate swap contracts recorded in interest expense	3	4

We do not expect to reclassify material amounts from accumulated other comprehensive loss to interest expense in the next twelve months.

The following table shows the effect of interest rate swap contracts designated as cash flow hedges on interest expense in the consolidated statements of income:

	Three Months Ended March 31,	
	2025	2024
Total interest expense which reflects the effects of cash flow hedges	$ (68)	$ (75)
Hedged item	(5)	(5)
Derivative designated as hedging instrument	8	9

The following table shows the fair value of our hedges:

		As of	
	Balance Sheet Line Item	March 31, 2025	December 31, 2024
Interest rate swaps	Other assets	$ 13	$ 19

Contingent Acquisition Consideration Liabilities

In connection with our acquisitions, we have recorded certain contingent consideration liabilities (including redeemable non-controlling interest), of which the values are primarily based on reaching certain earnings-based metrics. The related liabilities were recorded at fair value on their respective acquisition dates as a part of the consideration transferred and are remeasured each reporting period (other than for redeemable non-controlling interest, which is measured based on its redemption value). The inputs used to measure the fair value of our liabilities are categorized as Level 3 in the fair value hierarchy.

The table below reconciles the change in the contingent acquisition consideration liabilities (including deferred purchase price) for the period from December 31, 2024 to March 31, 2025.

	Total	Included in Accrued Liabilities	Included in Other Long-Term Liabilities
Balance as of December 31, 2024	$ 15	$ 8	$ 7
Other adjustments[(1)]	(6)		
Balance as of March 31, 2025	$ 9	$ 6	$ 3

(1) Represents extinguishment of $6 million in redeemable non-controlling interest liability associated with SciPlay's acquisition of Alictus Yazilim Anonim Şirketi in 2022, as specified financial targets were not met. The gain was recorded in other income, net in our consolidated statements of operations.

(12) Stockholders' Equity

Changes in Stockholders' Equity

The following tables present certain information regarding our stockholders' equity as of March 31, 2025 and 2024:

	Three Months Ended March 31, 2025					
	Common Stock	Additional Paid in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
January 1, 2025	$ 1	$ 1,200	$ 1,016	$ (1,216)	$ (365)	$ 636
Settlement of liability awards	—	44	—	—	—	44
Vesting of RSUs, net of tax withholdings and other	—	(36)	—	—	—	(36)
Purchase of treasury stock[(1)]	—	—	—	(167)	—	(167)
Stock-based compensation	—	18	—	—	—	18
Net income	—	—	82	—	—	82
Other comprehensive loss	—	—	—	—	43	43
March 31, 2025	$ 1	$ 1,226	$ 1,098	$ (1,383)	$ (322)	$ 620

(1) Includes excise taxes of $1 million for three months ended March 31, 2025

	Three Months Ended March 31, 2024					
	Common Stock	Additional Paid in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
January 1, 2024	$ 1	$ 1,118	$ 680	$ (751)	$ (283)	$ 765
Settlement of liability awards	—	65	—	—	—	65
Vesting of RSUs, net of tax withholding and other	—	(43)	—	—	—	(43)
Purchase of treasury stock	—	—	—	(25)	—	(25)
Stock-based compensation	—	14	—	—	—	14
Net income	—	—	82	—	—	82
Other comprehensive loss	—	—	—	—	(23)	(23)
March 31, 2024	$ 1	$ 1,154	$ 762	$ (776)	$ (306)	$ 835

Stock-based Compensation

For the three months ended March 31, 2025 and 2024, we recognized $27 million and $22 million, respectively, in total stock-based compensation expense under all programs. These amounts include $9 million and $8 million of stock-based compensation classified as liability awards for the three months ended March 31, 2025, and 2024, respectively.

Restricted Stock Units

A summary of the changes in RSUs outstanding under our equity-based compensation plans during the three months ended March 31, 2025 is presented below:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested RSUs as of December 31, 2024	2.0	$ 75.49
Granted	1.0	$ 106.48
Vested	(1.0)	$ 84.82
Cancelled	(0.1)	$ 75.94
Unvested RSUs as of March 31, 2025	1.9	$ 87.32

The weighted-average grant date fair value of RSUs granted during the three months ended March 31, 2025 and 2024 was $106.48 and $99.65, respectively. The fair value of each RSU grant is based on the market value of our common stock at

the time of grant. As of March 31, 2025, we had $138 million of unrecognized stock-based compensation expense relating to unvested RSUs amortized over a weighted-average period of approximately 1.5 years. The fair value at vesting date of RSUs vested during the three months ended March 31, 2025 and 2024 was $110 million and $124 million, respectively.

Share Repurchase Programs

On June 11, 2024, our Board of Directors approved a share repurchase program under which the Company is authorized to repurchase, from time to time through June 12, 2027, up to an aggregate amount of $1.0 billion of shares of outstanding common stock. During the three months ended March 31, 2025, we repurchased approximately 1.9 million shares of common stock under the repurchase program at an aggregate cost of $167 million (including excise tax).

(13) Income Taxes

We consider new evidence (both positive and negative) at each reporting date that could affect our view of the future realization of deferred tax assets. We evaluate information such as historical financial results, historical taxable income, projected future taxable income, expected timing of the reversals of existing temporary differences and available prudent and feasible tax planning strategies in our analysis. Based on the available evidence, valuation allowances in certain U.S. and non-U.S. jurisdictions remain consistent as of March 31, 2025.

Our income tax expense (including discrete items) was $23 million and $18 million for the three months ended March 31, 2025 and 2024, respectively. For the three months ended March 31, 2025, our effective tax rate differed from the U.S. statutory rate of 21% primarily as a result of worldwide tax rates on foreign earnings. In all periods, we recorded tax expense relative to pre-tax earnings in jurisdictions without valuation allowances.

(14) Leases

Our total operating lease expense for the three months ended March 31, 2025 and 2024 was $6 million and $7 million, respectively. The total amount of variable and short-term lease payments was immaterial for all periods presented.

Supplemental balance sheet and cash flow information related to operating leases is as follows:

	As of	
	March 31, 2025	December 31, 2024
Operating lease right-of-use assets	$ 42	$ 44
Accrued liabilities	17	16
Operating lease liabilities	29	31
Total operating lease liabilities	$ 46	$ 47
Weighted average remaining lease term, years	3	3
Weighted average discount rate	6 %	6 %

	Three Months Ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 5	$ 6
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	$ —	$ 1

Lease liability maturities:

	Remainder of 2025	2026	2027	2028	2029	Thereafter	Less Imputed Interest	Total
Operating leases	$ 16	$ 17	$ 10	$ 6	$ 1	$ —	$ (4)	$ 46

As of March 31, 2025, we did not have material additional operating leases that have not yet commenced.

(15) Litigation

We are involved in various legal proceedings, including those discussed below. We record an accrual for legal contingencies when it is both probable that a liability has been incurred and the amount or range of the loss can be reasonably

estimated (although, as discussed below, there may be an exposure to loss in excess of the accrued liability). We evaluate our accruals for legal contingencies at least quarterly and, as appropriate, establish new accruals or adjust existing accruals to reflect (1) the facts and circumstances known to us at the time, including information regarding negotiations, settlements, rulings and other relevant events and developments, (2) the advice and analyses of counsel and (3) the assumptions and judgment of management. Legal costs associated with our legal proceedings are expensed as incurred. We had accrued liabilities of $89 million for all of our legal matters that were contingencies as of both March 31, 2025 and December 31, 2024.

Substantially all of our legal contingencies are subject to significant uncertainties and, therefore, determining the likelihood of a loss and/or the measurement of any loss involves a series of complex judgments about future events. Consequently, the ultimate outcomes of our legal contingencies could result in losses in excess of amounts we have accrued. We may be unable to estimate a range of possible losses for some matters pending against us or our subsidiaries, even when the amount of damages claimed against us or our subsidiaries is stated because, among other things: (1) the claimed amount may be exaggerated or unsupported; (2) the claim may be based on a novel legal theory or involve a large number of parties; (3) there may be uncertainty as to the likelihood of a class being certified or the ultimate size of the class; (4) there may be uncertainty as to the outcome of pending appeals or motions; (5) the matter may not have progressed sufficiently through discovery or there may be significant factual or legal issues to be resolved or developed; and/or (6) there may be uncertainty as to the enforceability of legal judgments and outcomes in certain jurisdictions. Other matters have progressed sufficiently that we are able to estimate a range of possible loss. For those legal contingencies disclosed below, and those related to the previously disclosed settlement agreement entered into in February 2015 with SNAI S.p.a. (“SNAI”), as to which a loss is reasonably possible, whether in excess of a related accrued liability or where there is no accrued liability, and for which we are able to estimate a range of possible loss, the current estimated range is up to approximately $13 million in excess of the accrued liabilities (if any) related to those legal contingencies. This aggregate range represents management’s estimate of additional possible loss in excess of the accrued liabilities (if any) with respect to these matters based on currently available information, including any damages claimed by the plaintiffs, and is subject to significant judgment and a variety of assumptions and inherent uncertainties. For example, at the time of making an estimate, management may have only preliminary, incomplete, or inaccurate information about the facts underlying a claim; its assumptions about the future rulings of the court or other tribunal on significant issues, or the behavior and incentives of adverse parties, regulators, indemnitors or co-defendants, may prove to be wrong; and the outcomes it is attempting to predict are often not amenable to the use of statistical or other quantitative analytical tools. In addition, from time to time an outcome may occur that management had not accounted for in its estimate because it had considered that outcome to be remote. Furthermore, as noted above, the aggregate range does not include any matters for which we are not able to estimate a range of possible loss. Accordingly, the estimated aggregate range of possible loss does not represent our maximum loss exposure. Any such losses could have a material adverse impact on our results of operations, cash flows or financial condition. The legal proceedings underlying the estimated range will change from time to time, and actual results may vary significantly from the current estimate.

Colombia Litigation

Our subsidiary, LNWI, owned a minority interest in Wintech de Colombia S.A., or Wintech (now liquidated), which formerly operated the Colombian national lottery under a contract with Empresa Colombiana de Recursos para la Salud, S.A. (together with its successors, “Ecosalud”), an agency of the Colombian government. The contract provided for a penalty against Wintech, LNWI and the other shareholders of Wintech of up to $5 million if certain levels of lottery sales were not achieved. In addition, LNWI delivered to Ecosalud a $4 million surety bond as a further guarantee of performance under the contract. Wintech started the instant lottery in Colombia but, due to difficulties beyond its control, including, among other factors, social and political unrest in Colombia, frequently interrupted telephone service and power outages, and competition from another lottery being operated in a province of Colombia that we believe was in violation of Wintech’s exclusive license from Ecosalud, the projected sales level was not met for the year ended June 30, 1993.

In 1993, Ecosalud issued a resolution declaring that the contract was in default. In 1994, Ecosalud issued a liquidation resolution asserting claims for compensation and damages against Wintech, LNWI and other shareholders of Wintech for, among other things, realization of the full amount of the penalty, plus interest, and the amount of the bond. LNWI filed separate actions opposing each resolution with the Tribunal Contencioso of Cundinamarca in Colombia (the “Tribunal”), which upheld both resolutions. LNWI appealed each decision to the Council of State. In May 2012, the Council of State upheld the contract default resolution, which decision was notified to us in August 2012. In October 2013, the Council of State upheld the liquidation resolution, which decision was notified to us in December 2013.

In July 1996, Ecosalud filed a lawsuit against LNWI in the U.S. District Court for the Northern District of Georgia asserting many of the same claims asserted in the Colombia proceedings, including breach of contract, and seeking damages. In March 1997, the District Court dismissed Ecosalud’s claims. Ecosalud appealed the decision to the U.S. Court of Appeals for the Eleventh Circuit. The Court of Appeals affirmed the District Court’s decision in 1998.

In June 1999, Ecosalud filed a collection proceeding against LNWI to enforce the liquidation resolution and recover the claimed damages. In May 2013, the Tribunal denied LNWI's merit defenses to the collection proceeding and issued an order of payment of approximately 90 billion Colombian pesos, or approximately $30 million, plus default interest (potentially accrued since 1994 at a 12% statutory interest rate). LNWI filed an appeal to the Council of State, and on December 10, 2020, the Council of State issued a ruling affirming the Tribunal's decision. On December 16, 2020, LNWI filed a motion for clarification of the Council of State's ruling, which was denied on April 15, 2021. On April 22, 2021, LNWI filed a motion for reconsideration relating to that decision, which the Council of State denied on February 21, 2022. On May 24, 2022, the case was transferred from the Council of State to the Tribunal for further proceedings. On August 18, 2022, LNWI filed a constitutional challenge to the Council of State's December 10, 2020 decision with that court, which was denied on October 7, 2022. On December 7, 2022, LNWI filed an appeal with the Council of State from the denial of the constitutional challenge, which was denied on May 24, 2023. On June 28, 2023, the Colombian Constitutional Court received the record of the constitutional appeal for further consideration, and on September 26, 2023, that court selected LNWI's constitutional appeal for further consideration. On April 25, 2024, LNWI was notified that, by means of a decision dated April 5, 2024, a three-judge panel of the Colombian Constitutional Court denied LNWI's constitutional appeal. On April 30, 2024, LNWI filed a motion to have that panel ruling declared null and void by the full Chamber of the Colombian Constitutional Court. On November 7, 2024, LNWI was notified that, by means of a decision dated August 8, 2024, the full Chamber of the Colombian Constitutional Court denied LNWI's motion filed on April 30, 2024.

LNWI believes it has various defenses, including on the merits, against Ecosalud's claims. Although we believe these claims will not result in a material adverse effect on our consolidated results of operations, cash flows or financial position, it is not feasible to predict the final outcome, and we cannot assure that these claims will not ultimately be resolved adversely to us or result in material liability.

SNAI Litigation

On April 16, 2012, certain VLTs operated by SNAI in Italy and supplied by Barcrest Group Limited ("Barcrest") erroneously printed what appeared to be winning jackpot and other tickets with a face amount in excess of €400.0 million. SNAI has stated, and system data confirms, that no jackpots were actually won on that day. The terminals were deactivated by the Italian regulatory authority. Following the incident, we understand that the Italian regulatory authority revoked the certification of the version of the gaming system that Barcrest provided to SNAI and fined SNAI €1.5 million, but determined to not revoke SNAI's concession to operate VLTs in Italy.

In October 2012, SNAI filed a lawsuit in the Court of First Instance of Rome in Italy against Barcrest and The Global Draw Limited ("Global Draw"), our subsidiary which acquired Barcrest from IGT-UK Group Limited, a subsidiary of IGT, claiming liability arising out of the April 2012 incident and asserting claims based on theories of breach of contract and tort. The lawsuit sought to terminate SNAI's agreement with Barcrest and damages arising from the deactivation of the terminals, including among other things, lost profits, expenses and costs, potential awards to players who have sought to enforce what appeared to be winning jackpot and other tickets, compensation for lost profits sought by managers of the gaming locations where SNAI VLTs supplied by Barcrest were installed, damages to commercial reputation and any future damages arising from SNAI's potential loss of its concession or inability to obtain a new concession.

In February 2015, we entered into a settlement agreement with SNAI that provides, among other things, for us to make a €25.0 million upfront payment to SNAI, which payment was made in February 2015, and to indemnify SNAI against certain potential future losses. In connection with the settlement, the parties' pending claims in the Court of First Instance of Rome were dismissed on February 19, 2015. To date, we have paid €9.4 million to SNAI pursuant to our indemnification obligations.

TCS John Huxley Matter

On March 15, 2019, TCS John Huxley America, Inc., TCS John Huxley Europe Ltd., TCS John Huxley Asia Ltd., and Taiwan Fulgent Enterprise Co., Ltd. brought a civil action in the United States District Court for the Northern District of Illinois against L&W, Bally Technologies, Inc. and LNW Gaming, Inc., f/k/a Bally Gaming, Inc. In the complaint, the plaintiffs assert federal antitrust claims arising from the defendants' procurement of particular U.S. and South African patents. The plaintiffs allege that the defendants used those patents to create an allegedly illegal monopoly in the market for automatic card shufflers sold to regulated casinos in the United States. On April 10, 2019, the defendants filed a motion to dismiss the plaintiffs' complaint with prejudice. On April 25, 2019, the district court denied the defendants' motion to dismiss without prejudice pursuant to the court's local rules, after the plaintiffs advised that they intended to file an amended complaint. The plaintiffs filed their amended complaint on May 3, 2019, and on May 22, 2019, the defendants filed a motion to dismiss the plaintiffs' amended complaint with prejudice. On March 20, 2020, the district court denied the defendants' motion to dismiss the plaintiffs' amended complaint, and defendants filed an answer to the plaintiffs' amended complaint on June 19, 2020. On June 3, 2020, the trial court granted the defendants' request to bifurcate proceedings in the case, with discovery to occur first into the statute of limitations and release defenses asserted by the defendants in their motion to dismiss, before proceeding into broader

discovery. The trial court set a September 18, 2020, deadline for the parties to complete discovery relating to the statute of limitations and release defenses. On October 28, 2020, the court issued an order extending until January 15, 2021 the deadline for the parties to complete discovery relating to the statute of limitations defense. On February 9, 2021, the defendants filed a motion for summary judgment on their statute of limitations defense, addressing whether plaintiffs had actual knowledge of their claims prior to the start of the limitations period. The district court denied that motion for summary judgment on September 20, 2021. On January 13, 2023, the district court entered an order requiring, among other things, that the plaintiffs make a formal written settlement demand by January 20, 2023, that the defendants respond to that demand in writing by January 27, 2023, and that the parties file a status report by January 31, 2023 confirming that they have complied with the district court's order. On January 31, 2023, the parties filed a joint status report confirming that they have complied with the district court's order to make and respond to a formal written demand. Discovery closed on June 1, 2023. On June 30, 2023, the defendants filed a motion for summary judgment. On March 28, 2024, the court issued an order granting in part and denying in part defendants' motion for summary judgment. On April 30, 2024, the court issued an order setting the matter for a jury trial starting on May 5, 2025. On February 23, 2025, the parties finalized an agreement, pursuant to which the Company paid $72.5 million to resolve this matter in April 2025. On February 27, 2025, the court dismissed the case without prejudice and struck all pending deadlines. On April 10, 2025, the court dismissed the case with prejudice.

In re Automatic Card Shufflers Litigation Matter

On April 2, 2021, Casino Queen, Inc. and Casino Queen Marquette, Inc. filed a putative class action complaint in the United States District Court for the Northern District of Illinois against L&W, Bally Technologies, Inc. and LNW Gaming, Inc., f/k/a Bally Gaming, Inc. In the complaint, the plaintiffs assert federal antitrust claims arising from the defendants' procurement of particular U.S. patents. The plaintiffs allege that the defendants used those patents to create an allegedly illegal monopoly in the market for automatic card shufflers sold or leased in the United States. The plaintiffs seek to represent a putative class of all persons and entities that directly purchased or leased automatic card shufflers within the United States from the defendants, or any predecessor, subsidiary, or affiliate thereof, at any time between April 1, 2009, and the present. The complaint seeks unspecified money damages, which the complaint asks the court to treble, the award of plaintiffs' costs of suit, including attorneys' fees, and the award of pre-judgment and post-judgment interest. On June 11, 2021, the defendants filed a motion to dismiss plaintiffs' complaint, which the court denied on May 19, 2022. Discovery closed on December 1, 2023. On February 16, 2024, the defendants filed a motion for summary judgment, which is pending. Also on February 16, 2024, plaintiffs filed a motion for partial summary judgment and a motion for class certification, which are pending. The court set a hearing for May 8, 2025 on the pending motions for summary judgment. We are currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible losses, if any. We believe that the claims are without merit, and intend to vigorously defend against them.

Mohawk Gaming Enterprises Matter

On November 9, 2020, Mohawk Gaming Enterprises LLC, d/b/a Akwesasne Mohawk Casino Resort, filed a demand for a putative class arbitration before the American Arbitration Association against L&W, Bally Technologies, Inc. and LNW Gaming, Inc., f/k/a Bally Gaming, Inc. ("Respondents"). In the complaint, the claimant asserts federal antitrust claims arising from the respondents' procurement of particular U.S. patents. The claimant alleges that the respondents used those patents to create an allegedly illegal monopoly in the market for automatic card shufflers sold or leased in the United States. The claimant seeks to represent a putative class of all persons and entities that directly purchased or leased automatic card shufflers within the United States from the respondents, or any predecessor, subsidiary, or affiliate thereof, at any time between April 1, 2009, and the present. The complaint seeks unspecified money damages, which the complaint asks the arbitration panel to treble, and the award of claimant's costs of suit, including attorneys' fees. Respondents filed their answering statement on December 9, 2020. On October 29, 2021, the claimant filed a memorandum in support of class arbitration, which Respondents opposed on December 3, 2021. On February 8, 2022, the Arbitrator issued a clause construction award, finding that the arbitration could proceed on behalf of a class or classes. On February 11, 2022, Respondents filed a petition to vacate the award in the New York Supreme Court. The Court denied Respondents' petition on August 9, 2022, and on August 16, 2022, Respondents appealed to the New York Appellate Division, First Department, which denied Respondents' appeal on June 22, 2023. On April 15, 2022, Respondents filed a motion to dismiss the claimant's complaint, which the Arbitrator denied on July 26, 2022. Discovery closed on December 1, 2023. On February 16, 2024, the respondents filed a motion for summary judgment. Also on February 16, 2024, claimant filed a motion for partial summary judgment and a motion for class certification. On December 9, 2024, the Arbitrator denied the motions for summary judgment and issued a class determination award, certifying a class. On January 9, 2025, Respondents filed a petition to vacate the award in New York Supreme Court. The court heard oral argument on the petition to vacate on March 20, 2025, and a decision is pending. We are currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible losses, if any. We believe that the claims in the arbitration demand are without merit, and intend to vigorously defend against them.

Allah Beautiful Matter

On December 19, 2022, claimant Prince Imanifest Allah Beautiful filed an arbitration demand against respondent SciPlay Corporation before the American Arbitration Association. The demand asserts claims for alleged violations of New Jersey's anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by New Jersey players of SciPlay's online social casino games other than the claimant. On March 7, 2023, respondent filed its answering statement to claimant's arbitration demand. On March 4, 2024, respondent filed a motion to dismiss the claimant's arbitration demand, which the Arbitrators denied on April 24, 2024. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 1, 2024, the Arbitrators granted respondent's unopposed motion to stay the matter. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Sprinkle Matter

On December 12, 2022, claimant Matthew Sprinkle filed an arbitration demand against respondent SciPlay Corporation before the American Arbitration Association. The demand asserts claims for alleged violations of Ohio's anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by Ohio players of SciPlay's online social casino games other than the claimant. On March 7, 2023, respondent filed its answering statement to claimant's arbitration demand. On March 4, 2024, respondent filed a motion to dismiss the claimant's arbitration demand, which the Arbitrators denied on April 24, 2024. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 1, 2024, the Arbitrators granted respondent's unopposed motion to stay the matter. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Andrea Sornberger Matter

On March 8, 2023, plaintiff Andrea Sornberger filed a complaint against SciPlay Corporation and SciPlay Games, LLC in the Circuit Court of the Franklin County, Alabama. The complaint asserts claims for alleged violations of Alabama anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by Alabama players of SciPlay's online social casino games other than the plaintiff, the award of interests and costs, and injunctive and other relief. On April 12, 2023, defendants removed the action to the United States District Court for the Northern District of Alabama. On August 24, 2023, plaintiff voluntarily dismissed her complaint without prejudice, and re-filed it in the Circuit Court of Franklin County, Alabama. On September 27, 2023, defendants removed the re-filed action to the United States District Court for the Northern District of Alabama. On October 26, 2023, plaintiff filed a motion to remand the action to the Circuit Court of Franklin County, Alabama. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 8, 2024, the Court granted the Plaintiff's unopposed motion to stay the case and stayed the case until October 29, 2024. On November 12, 2024, the parties jointly stipulated to dismiss the case without prejudice to time-related defenses, should the settlement agreement between the parties not become final. The parties signed a written settlement agreement on January 6, 2025, which is still subject to court approval. On March 25, 2025, the Court dismissed the case with prejudice, provided, however, that if the terms of the settlement were not fully consummated within 45 days of the order, then the Court would entertain a petition to reinstate the action. On March 28, 2025, plaintiff filed an unopposed motion to vacate the dismissal with prejudice and asked the Court to enter a dismissal order consistent with the parties' agreed-upon stipulation of dismissal; the Court has not ruled on the plaintiff's motion.

Roberts Matter

On July 25, 2023, claimant Donovan Roberts filed an arbitration demand against respondent SciPlay Corporation before the American Arbitration Association. The demand asserts claims for alleged violations of Kentucky's anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by Kentucky players of SciPlay's online social casino games other than the claimant. On October 6, 2023, respondent filed its answering statement to claimant's arbitration demand. On May 30, 2024, respondent filed a motion to dismiss the claimant's arbitration demand. On August 12, 2024, the Arbitrators granted respondent's motion to dismiss in part, and dismissed the claimant's claims seeking to recover losses of other Kentucky residents. The Arbitrators allowed claimant's claim for his own personal alleged losses to proceed. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. In response to respondent's unopposed request to stay the matter, on October 3, 2024, the Arbitrators marked the case file inactive. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Ebersole Matter

On July 25, 2023, claimant Christopher Ebersole filed an arbitration demand against respondent SciPlay Corporation before the American Arbitration Association. The demand asserts claims for alleged violations of Ohio's anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by Ohio players of SciPlay's online social casino games other than the claimant. On October 12, 2023, respondent filed its answering statement to claimant's arbitration demand. On April 1, 2024, respondent filed a motion to dismiss the claimant's arbitration demand, which the Arbitrators denied on May 16, 2024. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 1, 2024, the Arbitrators granted respondent's unopposed motion to stay the matter. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Murnaghan Matter

On July 25, 2023, claimant Hope Murnaghan filed an arbitration demand against respondent SciPlay Corporation before the American Arbitration Association. The demand asserts claims for alleged violations of Massachusetts' anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by Massachusetts players of SciPlay's online social casino games other than the claimant. On October 12, 2023, respondent filed its answering statement to claimant's arbitration demand. On April 1, 2024, respondent filed a motion to dismiss the claimant's arbitration demand, which the Arbitrators denied on May 16, 2024. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 1, 2024, the Arbitrators granted respondent's unopposed motion to stay the matter. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Ewing Matter

On November 31, 2023, plaintiff Lauren Ewing filed a lawsuit against SciPlay Corporation and SciPlay Games LLC in the Circuit Court for the 14th Judicial District of Tennessee. The complaint asserts claims for alleged violations of Tennessee's anti-gambling statutes and seeks unspecified money damages, including recover of monies allegedly lost by Tennessee players of SciPlay's online social casino games. On December 15, 2023, defendants removed the action to the United States District Court for the Eastern District of Tennessee. On January 12, 2024, plaintiff filed a motion to remand the action to the Circuit Court for the 14th Judicial District of Tennessee. On January 22, 2024, defendants filed a motion to dismiss plaintiff's complaint and a motion to compel arbitration of plaintiff's claims. On September 26, 2024, the United States District Court for the Eastern District of Tennessee granted plaintiff's motion to remand the case to State court. In light of the remand order, the District Court did not rule on defendants' motions to dismiss and to compel arbitration. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 7, 2024, defendants filed a petition for permission to appeal the District Court's remand order with the United States Court of Appeals for the Sixth Circuit, which the Sixth Circuit granted on January 17, 2025. On October 23, 2024, the District Court granted defendants' motion to stay its remand order until the Sixth Circuit fully disposes of the petition for permission to appeal. On January 30, 2025, the Sixth Circuit granted the parties' joint motion to stay the case until April 30, 2025. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Fuqua Matter

On August 22, 2024, plaintiff Dianne Fuqua filed a complaint against SciPlay Corporation and SciPlay Games, LLC in the United States District Court for the Western District of Kentucky. The complaint asserts claims for alleged violations of Kentucky anti-gambling statutes and seeks unspecified money damages, including recovery of monies allegedly lost by Kentucky players of SciPlay's online social casino games other than the plaintiff, the award of interests and costs, and unspecified other relief. On September 30, 2024, the parties entered into a written term sheet to resolve the matter, subject to the execution of a written settlement agreement and judicial approval of the settlement terms. On October 7, 2024, the Court granted Plaintiff's unopposed motion to stay and stayed all deadlines for 30 days. The Court has periodically extended the stay, most recently extending the stay on March 20, 2025. The parties signed a written settlement agreement on January 6, 2025, which is subject to court approval.

Timothy Sornberger Matter

On January 9, 2025, plaintiffs Timothy Sornberger, Donovan Roberts, Matthew Sprinkle, Hope Murnaghan, Luke Whitney, Prince Imanifest Allah Beautiful, and Christopher Ebersole filed a putative multistate class action complaint against SciPlay Corporation and SciPlay Games, LLC in the Circuit Court of Franklin County, Alabama. The complaint asserts claims for alleged violations of anti-gambling statutes of the states of Alabama, Tennessee, Kentucky, Ohio, New Jersey, and Massachusetts. The plaintiffs seek to represent putative classes of individuals in their respective home states who spent money

playing SciPlay's online social casino games during various periods of time. The complaint seeks unspecified money damages, including recovery of monies allegedly lost by players of SciPlay's online social casino games in the enumerated states, the award of interests and costs, attorneys' fees and expenses and unspecified other relief. On January 17, 2025, the parties filed a notice of a proposed class settlement and a motion to stay the deadlines to answer or otherwise respond to the complaint. On January 17, 2025, the court stayed all deadlines in the action, pending the filing of a motion for preliminary approval of a class action settlement.

Aristocrat Matter (United States)

On February 26, 2024, Aristocrat Technologies, Inc. and Aristocrat Technologies Australia Pty Limited brought a civil action in the United States District Court for the District of Nevada against L&W, LNW Gaming, Inc. and SciPlay Corporation. Plaintiffs assert claims for trade secret misappropriation, copyright infringement, trade dress infringement and unfair competition, and deceptive trade practices, relating to defendants' *DRAGON TRAIN*™ and *JEWEL OF THE DRAGON*® games. Plaintiffs' operative complaint seeks preliminary and permanent injunctive relief, unspecified damages, the award of reasonable attorneys' fees and costs, pre-judgment and post-judgment interest, and declaratory relief. Simultaneously with the filing of the complaint on February 26, 2024, the plaintiffs filed a motion to expedite discovery, which the court granted in part and denied in part on March 26, 2024. On April 9, 2024, defendants filed a motion to dismiss plaintiffs' complaint, which the court granted in part and denied in part on June 24, 2024. On May 22, 2024, the plaintiffs filed a motion for a preliminary injunction, which the district court granted on September 23, 2024. On July 15, 2024, the plaintiffs filed a First Amended Complaint, which defendants answered on August 12, 2024. On November 21, 2024, the plaintiffs filed a motion to enforce the district court's preliminary injunction, which the court denied on January 3, 2025. On March 14, 2025, the plaintiffs filed a Second Amended Complaint, which defendants answered on April 11, 2025. We are currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible losses, if any. We intend to defend against the claims in the lawsuit.

Aristocrat Matter (Australia)

On October 4, 2024, Aristocrat Technologies Australia Pty Limited brought a civil action in the Federal Court of Australia against L&W and LNW Gaming ANZ Pty Ltd., among other defendants. Plaintiff asserts claims for breach of confidence, breach of contract (against other defendants) and inducing breach of contract, and copyright infringement relating to defendants' *Dragon Train* games. Plaintiff's operative complaint seeks preliminary and permanent injunctive relief, unspecified damages, and the award of costs. On October 4, 2024, the plaintiff filed a motion for an interlocutory injunction, which it amended on November 12, 2024. On February 3, 2025, L&W and LNW Gaming ANZ Pty Ltd. filed a defense to plaintiff's operative complaint. On February 6, 2025, the court denied plaintiff's motion for interlocutory injunction. We are currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible losses, if any. We intend to defend against the claims in the lawsuit.

Evolution Matter

On May 28, 2024, Evolution Malta Limited, Evolution Gaming Malta Limited, and SIA Evolution Latvia brought a civil action in the United States District Court for the District of Nevada against L&W and LNW Gaming, Inc. Plaintiffs assert claims for patent infringement and trade secret misappropriation relating to defendants' ROULETTEX® and POWERX® games. Plaintiffs' complaint seeks preliminary and permanent injunctive relief, unspecified damages, the award of attorneys' fees and costs, interest, and declaratory relief. On July 24, 2024, defendants filed a motion to dismiss plaintiffs' complaint, which the court granted as to plaintiffs' claims for patent infringement on February 11, 2025. On August 16, 2024, defendants filed a motion to stay discovery, which the court denied on November 7, 2024. On February 7, 2025, defendants filed a motion to compel arbitration of plaintiffs' claims for trade secret misappropriation, or, in the alternative, to dismiss the claims, which is pending. On April 10, 2025, Plaintiffs filed a First Amended Complaint and a motion for leave to file a Second Amended Complaint, and defendants' responsive pleadings to either complaint are not yet due. We are currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible losses, if any. We believe that the claims in the lawsuit are without merit and intend to vigorously defend against them.

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

The following discussion is intended to enhance the reader's understanding of our operations and current business environment from management's perspective and should be read in conjunction with the description of our business included under *Part I, Item 1* "Condensed Consolidated Financial Statements" and *Part II, Item 1A* "Risk Factors" in this Quarterly Report on Form 10-Q and under *Part I, Item 1* "Business," *Item 1A* "Risk Factors" and *Part II, Item 7* "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2024 10-K.

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and should be read in conjunction with the disclosures and information contained and referenced under "Forward-Looking Statements" and "Risk Factors" included in this Quarterly Report on Form 10-Q and "Risk Factors" included in our 2024 10-K. As used in this MD&A, the terms "we," "us," "our" and the "Company" mean L&W together with its consolidated subsidiaries.

BUSINESS OVERVIEW

We are a leading cross-platform global games company with a focus on content and digital markets. Our portfolio of revenue-generating activities primarily includes supplying game content and gaming machines, CMSs and table game products and services to licensed gaming entities; providing social casino and other online games, including casual gaming, to retail customers; and providing a comprehensive suite of digital gaming content, distribution platforms and player account management systems, as well as various other iGaming content and services.

As more fully described in *Part I, Item 1* "Business" in our 2024 10-K, we are executing on our strategy to become a leading cross-platform global games company with a focus on content and digital markets. We report our results of operations in three reportable business segments—Gaming, SciPlay and iGaming—representing our different products and services. See "Business Segments Results" below and Note 3 for additional reportable segment information.

We delivered another solid quarter, representing a 16th consecutive quarter of year-over-year consolidated revenue growth, which grew 2%, expanded segment AEBITDA margins across all of our businesses and generated strong operating cash flows. We also repurchased approximately 1.9 million shares of common stock at an aggregate cost of $167 million (including excise tax) during the three months ended March 31, 2025.

On February 10, 2025, we entered into an amendment to the LNWI Credit Agreement which, among other things, (i) provided for new revolving commitments in an amount of $1.0 billion, replacing the existing revolving commitments of $750 million, (ii) extended the maturity of the revolving commitments, and (iii) reduced the applicable margin for the revolving loans by up to 50 basis points.

On February 18, 2025, we announced the strategic acquisition of Grover Charitable Gaming for an upfront consideration of $850 million, which will be funded with the combination of existing cash, incremental debt financing and the recently expanded LNWI Revolver. The transaction is expected to close during the second quarter of 2025, subject to required regulatory and other approvals and customary closing conditions. Our lead arranger has obtained commitments, subject to customary closing conditions, for a three-year, $800 million Term Loan A credit facility at leverage-based pricing expected to be in line with our current LNWI Revolver credit facility, the proceeds of which will be used for the financing of the pending Grover Charitable Gaming acquisition. Grover Gaming is a leading provider of electronic pull-tabs distributed over five U.S. states: North Dakota, Ohio, Virginia, Kentucky and New Hampshire. We believe this acquisition further enhances our growth profile, cross-platform strategy and presence in regulated land-based markets.

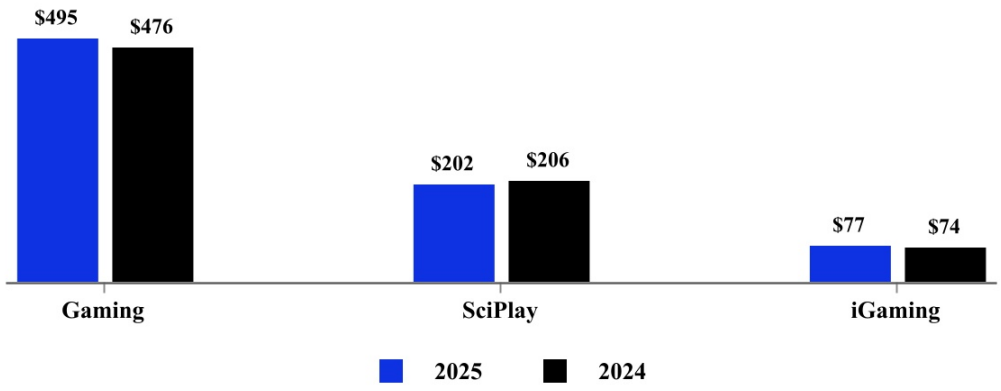
In April of 2025, the U.S. government and many foreign countries imposed a series of new trade tariffs and other changes in trade policy. In addition, in response to these tariffs, other countries have implemented retaliatory tariffs and other measures impacting U.S. goods. These tariffs place additional duties on imports, and we currently source a portion of the raw materials and components for our Gaming Business from China and across Asia. We have evaluated various mitigation strategies, including but not limited to, supplier diversification, adjusting supply chain operations, supplier pricing negotiations and cost control initiatives, among other measures. Over the past several quarters, through margin enhancement initiatives, we have successfully executed meaningful operational efficiencies. While we expect recent tariffs and trade policies to create incremental cost pressures in the near term, our realized and ongoing operational efficiency initiatives coupled with other measures are expected to mitigate these effects. The full impact of the tariffs on our financial results will depend on several factors, including the duration of the trade measures, potential further retaliatory actions, our ability to successfully execute our mitigation strategies, and overall market conditions.

CONSOLIDATED RESULTS

($ in millions)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Variance 2025 vs. 2024	
Total revenue	$ 774	$ 756	$ 18	2 %
Total operating expenses	604	591	13	2 %
Operating income	170	165	5	3 %
Net income before income taxes	105	100	5	5 %
Net income	82	82	—	— %

Revenue

Consolidated Revenue by Reportable Business Segment
(in millions)
Three Months Ended March 31, 2025 and 2024



Gaming revenue growth of $19 million, or 4%, for the three months ended March 31, 2025 was driven by growth across all lines of business, including 9% growth in Table products and 5% growth in both Gaming systems and Gaming operations, fueled by the success of our diversified portfolio of successful game franchises and gaming solutions.

SciPlay revenue decreased $4 million, or 2%, for the three months ended March 31, 2025, compared to the prior year period, primarily due to a decline in average monthly payers, partially offset by an increase in average monthly revenue per paying user. Average revenue per daily active user grew 5% for the three months ended March 31, 2025, while average monthly revenue per paying user increased 3%.

The increase in iGaming revenue of $3 million, or 4%, for the three months ended March 31, 2025, compared to the prior year period, was driven primarily by continued momentum in the North American markets and expansion of our partner network.

Operating Expenses

($ in millions)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Variance 2025 vs. 2024	
Operating expenses:				
Cost of services	$ 111	$ 112	$ (1)	(1)%
Cost of products	100	107	(7)	(7)%
SG&A	217	218	(1)	— %
R&D	65	62	3	5 %
D&A	91	86	5	6 %
Restructuring and other	20	6	14	233 %
Total operating expenses	$ 604	$ 591	$ 13	2 %

Cost of Revenue

Total cost of revenue for the three months ended March 31, 2025 decreased primarily as a result of lower cost of products related to new games and systems.

SG&A

SG&A for the three months ended March 31, 2025 remained relatively flat as compared to the prior year period. The change was driven by a $6 million decrease in expenses, primarily consisting of lower salaries and benefits expense of $2 million and lower marketing expense of $2 million, partially offset by higher stock-based compensation of $5 million.

R&D

R&D increased for the three months ended March 31, 2025 as compared to the prior year period, primarily due to higher salaries and benefits in our Gaming and SciPlay segments.

D&A

D&A for the three months ended March 31, 2025 increased primarily due to higher depreciation related to Gaming operations installed base growth and investments.

Restructuring and Other

The increase in restructuring and other for the three months ended March 31, 2025 was primarily due to $7 million in iGaming charges, primarily related to the discontinuation of our iGaming Live Casino operations, and $5 million in costs related to the legal and professional services primarily associated with the acquisition of Grover Charitable Gaming.

Other Factors Affecting Net Income

(in millions)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Factors Affecting Net Income 2025 vs. 2024
Other income, net	$ 4	$ 10	The change in other income was primarily due to the impact of changes in foreign currency exchange rates.
Income tax expense[(1)]	(23)	(18)	The increase in income tax expense was primarily due to the increase in worldwide income.

(1) For additional information regarding the changes in our effective tax rates and the variance in our income tax expense, see Note 13.

Foreign Currency Exchange (F/X)

Our results are impacted by changes in foreign currency exchange rates used in the translation of foreign functional currencies into USD and the re-measurement of foreign currency transactions or balances. The impact of foreign currency

exchange rate fluctuations represents the difference between current rates and prior-period rates applied to current activity. Our exposure to foreign currency volatility on revenue is as follows:

	Three Months Ended March 31,			
	2025		2024	
($ in millions)	Revenue	% Consolidated Revenue	Revenue	% Consolidated Revenue
Foreign Currency:				
British Pound Sterling	$ 23	3 %	$ 28	4 %
Euro	54	7 %	48	6 %
Australian Dollar	24	3 %	33	4 %

REPORTABLE BUSINESS SEGMENT RESULTS ***(for the three months ended March 31, 2025 compared to the three months ended March 31, 2024)***

GAMING

Our Gaming business segment designs, develops, manufactures, markets and distributes a comprehensive portfolio of gaming content, products and services. We provide our Gaming portfolio of products and services to commercial casinos, Native American casinos, wide-area gaming operators such as LBOs, arcade and bingo operators in the U.K. and continental Europe, and government agencies and their affiliated operators.

We generate Gaming revenue from both services and product sales. Our services revenue includes revenue earned from Participation gaming machines, other leased gaming machines (including VLTs and electronic table games), supplied table products and services (including Shufflers), casino management technology solutions and systems, and other services revenues. Our product sales revenue includes the sale of new and used gaming machines, electronic table games, VLTs and VGTs, casino-management technology solutions and systems, table products, proprietary table game licensing, conversion kits (including game, hardware or operating system conversions) and spare parts.

For additional information, refer to the Gaming primary business activities summary included within “Business Segment Results” under *Item 7* of our 2024 10-K.

Current Year Update

The increase in Gaming revenue for the three months ended March 31, 2025, as compared to the prior year period, was primarily driven by continued global Gaming Operations growth of 5%, primarily due to growth in U.S. and Canada installed base and elevated average daily revenue per unit. The increase in Gaming revenue for the three months ended March 31, 2025 also benefited from Table products growth of 9%, Systems growth of 5%, and Gaming machine sales growth of 1%. Our growth is driven by the continued strength and success of our diversified portfolio of successful game franchises, including *HUFF N' PUFF*®, *ULTIMATE FIRE LINK*®, INVADERS! *ATTACK FROM THE PLANET MOOLAH*®, *FRANKENSTEIN*, our hit Asian-themed games *88 FORTUNES*® and *DANCING DRUMS*®, stepper favorites *QUICK HIT*® and *BLAZING 777*® and the success of our *COSMIC*®, *COSMIC UPRIGHT* and *HORIZON*® cabinets. We are actively monitoring any impact of recent tariffs, inflationary pressures, supply chain disruptions and macroeconomic uncertainty that may impact our operations and financial results. See the “Business Overview” section above and *Item 1A* “Risk Factors” for information regarding recent trade tariffs which may have a significant impact on our Gaming business.

Results of Operations and KPIs

Three Months Ended March 31, 2025 and 2024

($ in millions, except per unit amounts)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Variance 2025 vs. 2024	
Revenue:				
Gaming operations	$ 173	$ 164	$ 9	5 %
Gaming machine sales	208	205	3	1 %
Gaming systems	63	60	3	5 %
Table products	51	47	4	9 %
Total revenue	$ 495	$ 476	$ 19	4 %
F/X impact on revenue	$ (2)	$ —	$ (2)	nm
KPIs:				
U.S. and Canada units:				
Installed base at period end	34,501	31,534	2,967	9 %
Average daily revenue per unit	$ 48.25	$ 48.82	$ (0.57)	(1)%
International units[(1)]:				
Installed base at period end	19,896	22,163	(2,267)	(10)%
Average daily revenue per unit	$ 15.07	$ 14.28	$ 0.79	6 %
Gaming machine sales:				
U.S. and Canada new unit shipments	5,769	4,437	1,332	30 %
International new unit shipments	4,001	5,259	(1,258)	(24)%
Total new unit shipments	9,770	9,696	74	1 %
Average sales price per new unit	$ 19,996	$ 19,897	$ 99	— %

nm = not meaningful.
(1) Units exclude those related to game content licensing.

Gaming Operations

Gaming operations revenue growth was driven by strong game performance of hit franchises, including our premium games. Gaming operations for U.S. and Canada had a 2,967-unit increase in installed base, partially offset by a decrease in average daily revenue per unit of $0.57 for the three months ended March 31, 2025. Average daily revenue per unit for International units increased by $0.79 for the three months ended March 31, 2025. International ending installed base units decreased by 2,267 units primarily due to the expected closure of certain LBOs in the U.K., removals in Greece and the reduction of certain low-yielding units in Latin America.

Gaming Machine Sales

Gaming machine sales revenue increased primarily due to higher U.S. and Canada unit shipments.

The following table summarizes Gaming machine sales changes:

	Three Months Ended March 31,		Variance	
	2025	2024	2025 vs. 2024	
U.S. and Canada unit shipments:				
Replacement units	5,398	4,296	1,102	26 %
Casino opening and expansion units	371	141	230	163 %
Total unit shipments	5,769	4,437	1,332	30 %
International unit shipments:				
Replacement units	2,998	3,711	(713)	(19)%
Casino opening and expansion units	1,003	1,548	(545)	(35)%
Total unit shipments	4,001	5,259	(1,258)	(24)%

Operating Expenses and AEBITDA

Operating expenses for the three months ended March 31, 2025 increased by $14 million, as compared to the corresponding prior year period, primarily due to $12 million in higher salaries and benefits (including stock-based compensation), $6 million in higher D&A and $5 million in higher restructuring and other costs ("R&O"), partially offset by lower cost of revenue.

AEBITDA increased by $22 million, which is primarily related to increased revenue. AEBITDA as a percentage of revenue ("AEBITDA margin") increased by 2 percentage points to 51% for the three months ended March 31, 2025, driven by a combination of a more favorable revenue mix and margin enhancements initiatives.

SCIPLAY

Our SciPlay business segment is a leading developer and publisher of digital games on online platforms. SciPlay operates primarily in the social gaming market, which is characterized by gameplay online or on mobile devices that is social, competitive and self-directed in pace and session length. SciPlay generates a substantial portion of its revenue from in-app purchases in the form of coins, chips and cards, which players can use to play slot games, table games or bingo games. Players who install SciPlay's social games typically receive free coins, chips or cards upon the initial launch of the game and additional free coins, chips or cards at specific time intervals. Players may exhaust the coins, chips or cards that they receive for free and may choose to purchase additional coins, chips or cards in order to enhance gameplay. Once obtained, coins, chips and cards (either free or purchased) cannot be redeemed for cash nor exchanged for anything other than game play within SciPlay's apps. SciPlay generates additional revenue through advertising arrangements in certain games, which was not material for the periods presented. Players who install these games receive free, unlimited gameplay that requires viewing of periodic in-game advertisements.

SciPlay currently offers a variety of social casino games, including *JACKPOT PARTY® Casino, QUICK HIT® Slots, GOLD FISH® Casino, 88 FORTUNES® Slots, MONOPOLY Slots* and *HOT SHOT CASINO®*. SciPlay continues to pursue its strategy of expanding into the online games market. Current casual game titles include *BINGO SHOWDOWN®* and *BACKGAMMON LIVE*. SciPlay continually develops and tests various new games. SciPlay's social casino games typically include slots-style game play and occasionally include table games-style game play, while its casual games blend solitaire-style or bingo game play with adventure game features. All of SciPlay's games are offered and played across multiple platforms, including *APPLE, GOOGLE, FACEBOOK, AMAZON* and *MICROSOFT*. SciPlay launched a proprietary direct-to-consumer in-app purchase platform during 2023, with the goals of improving players' experience and reducing costs of revenue given the lower payment processing fees and other related expenses for in-app purchases made through the proprietary platform, as compared to the platform fee charged by third-party platforms. Revenue generated via the proprietary direct-to-consumer platform continues to increase and represented approximately 13% of total SciPlay revenue for the first three months of 2025. In addition to original game content, SciPlay's content library includes recognizable game content across our other platforms within Gaming and iGaming. This content allows players who like playing land-based game content to enjoy some of those same titles in SciPlay's free-to-play games.

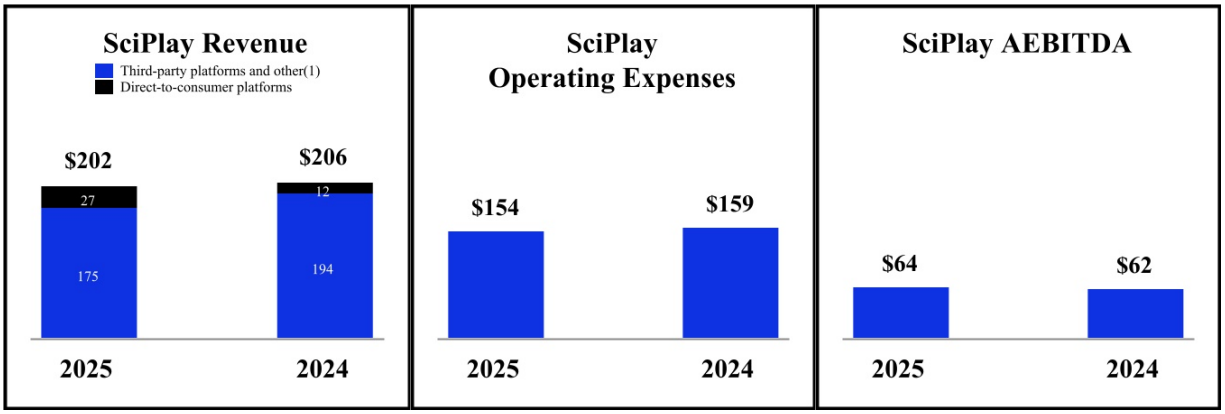
Current Year Update

SciPlay continues to deliver steady results and elevated payer engagement. Revenue decreased slightly by 2% for the three months ended March 31, 2025, which was primarily due to a decline in average monthly payers, primarily attributable to Jackpot Party® Casino, partially offset by an increase in average monthly revenue per paying user. SciPlay continues to deploy strategic game updates, utilize enhanced analytics, pursue international expansion and benefit from the proprietary direct-to-consumer platform.

We have a significant portion of SciPlay personnel located in Tel Aviv, Israel. In light of current circumstances in Israel, we are actively monitoring developments and are ready to redirect resources as needed to minimize impact on SciPlay operations. We do not have servers or infrastructure that are located in Israel that host our games. While we have not yet seen an impact on our business from current events, they could negatively affect the performance of the personnel in that area and have an adverse impact on our business if these events continue and/or escalate.

Results of Operations and KPIs

Three Months Ended March 31, 2025 and 2024



(1) Other primarily represents advertising revenue, which was not material for the periods presented.

(in millions unless otherwise noted)	Three Months Ended March 31, 2025	2024	Variance 2025 vs. 2024	
Revenue:				
Third-party platforms and other[1]	$ 175	$ 194	$ (19)	(10)%
Direct-to-consumer platforms	27	12	15	125 %
Total revenue	$ 202	$ 206	$ (4)	(2)%
KPIs:				
In-App Purchases:				
Average MAU[2]	5.5	5.8	(0.3)	(5)%
Average DAU[3]	2.1	2.2	(0.1)	(5)%
ARPDAU[4]	$ 1.06	$ 1.01	$ 0.05	5 %
Average MPUs[5] (in thousands)	572	594	(22)	(4)%
AMRPPU[6]	$ 116.96	$ 113.93	$ 3.03	3 %
Payer Conversion Rate[7]	10.4 %	10.2 %	0.2 pp	nm

nm = not meaningful.
pp = percentage points.
(1) Other primarily represents advertising revenue, which was not material for the periods presented.
(2) MAU = Monthly Active Users is a count of visitors to our sites during a month. An individual who plays multiple games or from multiple devices may, in certain circumstances, be counted more than once. However, we use third-party data to limit the occurrence of multiple counting.
(3) DAU = Daily Active Users is a count of visitors to our sites during a day. An individual who plays multiple games or from multiple devices may, in certain circumstances, be counted more than once. However, we use third-party data to limit the occurrence of multiple counting.
(4) ARPDAU = Average Revenue Per DAU is calculated by dividing revenue for a period by the DAU for the period by the number of days for the period.
(5) MPU = Monthly Paying Users is the number of individual users who made an in-game purchase during a particular month.
(6) AMRPPU = Average Monthly Revenue Per Paying User is calculated by dividing average monthly revenue by average MPUs for the applicable time period.
(7) Payer conversion rate is calculated by dividing average MPU for the period by the average MAU for the same period.

For the three months ended March 31, 2025, revenue decreased 2%, primarily due to a decline in average monthly payers, primarily attributable to Jackpot Party® Casino, partially offset by an increase in average monthly revenue per paying user.

Average MAU and average MPU for the three months ended March 31, 2025 decreased due to the turnover in users. ARPDAU increased as a function of higher player monetization with a slight decrease in average DAU. AMRPPU increased, with payer conversion increasing slightly, as SciPlay continues to improve content and features, resulting in steady paying player interaction.

Payer conversion rates increased slightly due to consistent payer interaction with the games as a result of SciPlay's focus on introducing new content, features and live events in games.

Operating Expenses and AEBITDA

The slight decrease in operating expenses for the three months ended March 31, 2025, as compared to prior year period, was primarily driven by lower cost of revenue due to higher margins on our direct-to-consumer platform revenue.

AEBITDA increased by $2 million, and AEBITDA margin increased by 2 percentage points to 32%, primarily due revenue generated via our proprietary direct-to-consumer platform, which generates higher margins.

iGAMING

Our iGaming business segment provides a comprehensive suite of digital gaming content, distribution platforms and player account management systems, as well as various other iGaming content and services. The majority of our revenue is derived from casino-style game content, including a wide variety of internally developed and branded games as well as popular third-party provider games. These games are made available to iGaming operators via content aggregation platforms, including Open Gaming System, remote gaming servers and various other platforms. We also provide our Open Platform System, a player account management system which offers a wide range of reporting and administrative functions and tools providing operators full control over all areas of digital gaming operations. Generally, we host the play of our game content which is integrated with the online casino operators' websites.

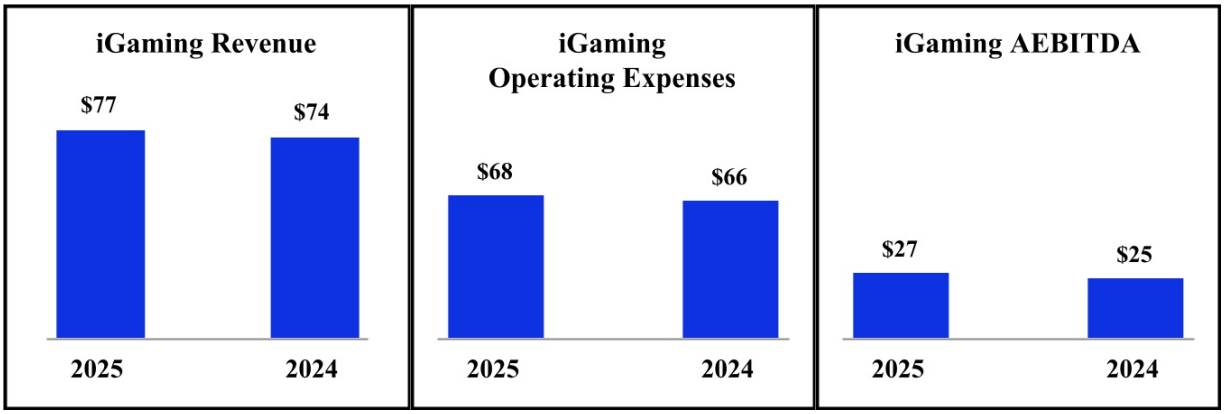
Current Year Update

We continue to expand our customer base and capitalize on growth in the North American and International markets, including emerging markets, such as Brazil, by leveraging our industry leading platforms, content and solutions, as well as investing in our ability to scale our own original U.S. land-based content offering.

During the first quarter of 2025, the Company commenced the process of discontinuing its Live Casino operations. This decision reflects our commitment to reallocate resources to maximize our return on investments, and we do not expect that this decision will have a material impact on our iGaming business's long-term growth prospects.

Results of Operations

Three Months Ended March 31, 2025 and 2024



The increase in iGaming revenue for the three months ended March 31, 2025 was $3 million, or 4%, as compared to the prior year period, primarily driven by continuing momentum in the North American market and expansion of our partner network. Wagers processed through our Open Gaming System for current year period increased to $25.2 billion.

Operating expenses increased slightly in correlation with the increase in revenue and primarily due to $7 million in restructuring costs, primarily related to the discontinuation of our Live Casino operations. AEBITDA increased 8%, and AEBITDA margin increased to 35% compared to the prior year period primarily due to lower operating expenses (excluding R&O).

RECENTLY ISSUED ACCOUNTING GUIDANCE

We do not expect that any recently issued accounting guidance will have a significant effect on our consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

For a description of our policies regarding our critical accounting estimates, see "Critical Accounting Estimates" in *Item 7* "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2024 10-K.

There have been no significant changes in our critical accounting estimate policies or the application of those policies to our condensed consolidated financial statements from those presented in *Item 7* "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2024 10-K.

LIQUIDITY, CAPITAL RESOURCES AND WORKING CAPITAL

Cash and Available Liquidity

As of March 31, 2025, our principal sources of liquidity, other than cash flows provided by operating activities, were cash and cash equivalents as well as amounts available under the LNWI Revolver.

Cash and Available Revolver Capacity

(in millions)	As of March 31, 2025	As of December 31, 2024
Cash and cash equivalents	$ 134	$ 196
Revolver capacity	1,000	750
Revolver capacity drawn	(40)	—
Letters of credit	(10)	(10)
Total	$ 1,084	$ 936

Total cash held by our foreign subsidiaries was $116 million and $127 million as of March 31, 2025 and December 31, 2024, respectively. We believe that substantially all cash held outside the U.S. is free from legal encumbrances or similar restrictions that would prevent it from being available to meet our global liquidity needs.

Our Gaming operations generally require significant upfront capital expenditures, and we may need to incur additional capital expenditures in order to retain or increase market share and continue our product investments. For certain game sales in which control of the units have transferred to a customer, but the title transfer is pending until the final payment is made, we have elected to designate future collections as restricted cash until the resolution of the Aristocrat legal matter (for additional information on our legal proceedings, see Note 15 in this Form 10-Q and Note 19 in our 2024 Form 10-K). Other capital requirements for the near term primarily include debt principal and interest payments and also include purchase obligations and supply contracts, license agreement minimum guaranteed payments and lease obligations. There have been no material changes to our capital requirements disclosed in our 2024 10-K, other than those associated with our amended credit facility and new notes offering, as described below and in Note 10.

Our ability to make payments on and to refinance our indebtedness and other obligations depends on our ability to generate cash in the future. We may, from time to time, repurchase or otherwise repay, retire or refinance our debt, through our subsidiaries or otherwise. In the event we pursue significant acquisitions or other expansion opportunities, or conduct significant repurchases of our outstanding securities, we may need to raise additional capital. If we do not have adequate liquidity to support these activities, we may be unable to obtain financing for these cash needs on favorable terms or at all. For additional information regarding our cash needs and related risks, see “Risk Factors” under *Part I, Item 1A* in our 2024 10-K.

On June 11, 2024, our Board of Directors approved a share repurchase program under which the Company is authorized to repurchase, from time to time through June 12, 2027, up to an aggregate amount of $1.0 billion of shares of outstanding common stock. During the three months ended March 31, 2025, we repurchased approximately 1.9 million shares of common stock at an aggregate cost of $166 million (excluding excise tax).

On February 10, 2025 we amended the LNWI Credit Agreement. The amendment, among other things, (i) provided for new revolving commitments under the LNWI Revolver in an amount of $1.0 billion, which replaced the existing revolving commitments (which were in an amount of $750 million), (ii) extended the maturity of the revolving commitments and (iii) reduced the applicable margin for the revolving loans by up to 50 basis points. See Note 10 for further details.

On February 18, 2025, we announced the strategic acquisition of Grover Charitable Gaming for cash consideration of $850 million at closing and up to $200 million in contingent acquisition consideration payments over a four-year period. The transaction will be funded with the combination of existing cash, incremental debt financing and the recently expanded LNWI Revolver, and it is expected to close during the second quarter of 2025, subject to required regulatory and other approvals and customary closing conditions. Our lead arranger has obtained commitments, subject to customary closing conditions, for a three-year, $800 million Term Loan A credit facility at leverage-based pricing expected to be in line with our current LNWI Revolver credit facility, the proceeds of which will be used for the financing of the pending Grover Charitable Gaming acquisition.

Cash Flow Summary

(in millions)	Three Months Ended March 31, 2025	2024	Variance 2025 vs. 2024
Net cash provided by operating activities	$ 185	$ 171	$ 14
Net cash used in investing activities	(62)	(71)	9
Net cash used in financing activities	(171)	(65)	(106)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	3	(3)	6
(Decrease) increase in cash, cash equivalents and restricted cash	$ (45)	$ 32	$ (77)

Cash flows from operating activities

(in millions)	Three Months Ended March 31, 2025	2024	Variance 2025 vs. 2024
Net income	$ 82	$ 82	$ —
Adjustments to reconcile net income to cash provided by operating activities	107	83	24
Changes in working capital accounts, excluding the effects of acquisitions	(4)	6	(10)
Net cash provided by operating activities	$ 185	$ 171	$ 14

Net cash provided by operating activities increased primarily due to a $24 million increase in earnings (drivers of which are described above), partially offset by changes in working capital accounts. Changes in working capital accounts for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 were negatively impacted by the timing of collections of receivables, increased inventory and an increase in cash paid for income taxes, partially offset by changes in accounts payable, which were due to the timing of payments.

Cash flows from investing activities

Net cash used in investing activities decreased primarily due to lower capital expenditures related to the timing of investments in Gaming operations. Capital expenditures are composed of investments in systems, equipment and other assets related to contracts, property and equipment, intangible assets and software. Additionally, the prior year period included an investment of $4 million in the acquisition of a business asset.

Cash flows from financing activities

Net cash used in financing activities increased, as higher purchases of our outstanding common stock under our share repurchase programs and increases in net redemptions of common stock under stock-based compensation plans during the current year period were partially offset by borrowings under our revolving credit facility.

Credit Agreement and Other Debt

For additional information regarding the LNWI Credit Agreement and other debt, interest rate risk and interest rate hedging instruments, see Notes 14 and 15 and *Item 7A* “Quantitative and Qualitative Disclosures About Market Risk” in our 2024 10-K as well as Notes 10 and 11 and *Item 3* below in this Form 10-Q.

Off-Balance Sheet Arrangements

As of March 31, 2025, we did not have any significant off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign exchange rates and commodity prices. The following describes our financial instruments which expose us to market risk.

Interest Rate Risk

As of March 31, 2025, the face value of long-term debt was $3.9 billion, including $2.2 billion of variable rate obligations that fluctuate based on SOFR. Assuming a constant outstanding balance for our variable-rate long-term debt and excluding the impact of interest rate swap contracts, a hypothetical 1% change in interest rates would result in interest expense

changing by approximately $22 million. All of our interest rate sensitive financial instruments are held for purposes other than trading.

In April 2022, we entered into interest rate swap contracts to hedge a portion of our interest expense associated with our variable rate debt and effectively fix the interest rate that we pay. The objective of our interest rate swap contracts, which are designated as cash flow hedges of the future interest payments, is to eliminate the variability of cash flows attributable to the SOFR component of interest expense to be paid on a portion of our variable rate debt. These hedges mature in April 2027.

For additional information regarding our long-term debt and interest rate swap contracts, see Notes 10 and 11, respectively.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 3a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective as of March 31, 2025.

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For discussion of our legal proceedings, see Note 15, in this Quarterly Report on Form 10-Q and Note 19 in our 2024 10-K.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes in our risk factors from those disclosed under *Item 1A* “Risk Factors” included in our 2024 10-K.

Unfavorable U.S. and international economic conditions, decreased discretionary spending, travel or operational disruptions due to other factors such as inflation, rising benchmark interest rates, new or increased trade tariffs, terrorist activity or threat thereof, armed conflicts or hostilities, civil unrest, health epidemics, contagious disease outbreaks, or public perception thereof, other economic or political uncertainties, or other events beyond our control have adversely affected and may in the future adversely affect our business, results of operations, cash flows and financial condition.

Unfavorable economic conditions, including recession, inflation, rising benchmark interest rates, economic slowdown, decreased liquidity in the financial markets, decreased availability of credit, relatively high rates of unemployment and inflation, have had, and may continue to have, a negative effect on our business. Sociopolitical factors such as terrorist activity or threat thereof, armed conflicts or hostilities, civil unrest or other economic or political uncertainties, or health epidemics, contagious disease outbreaks, or public perception thereof, or other events beyond our control that contribute to consumer unease have resulted, and may continue to result, in decreased discretionary spending or travel by consumers and have had, any may continue to have, a negative effect on our businesses. Such factors out of our control may also have effects beyond discretionary spending or travel, such as disruptions to our operations and productivity, which could also have a negative effect on our businesses. Prolonged or more severe economic weakness, particularly from inflation, rising interest rates, new or increased tariffs and foreign currency volatility, could materially adversely impact our business, including causing our expected expenses to increase materially. We cannot fully predict the effects that unfavorable social, political and economic conditions, economic uncertainties and public health crises and any resulting decrease in discretionary spending or travel would have on us, as they would be expected to impact our customers, suppliers, employees, consultants and business partners in varied ways.

In our Gaming business, especially our Participation gaming business, our revenue is largely driven by players’ disposable incomes and level of gaming activity which may be reduced by unfavorable economic conditions. A further or extended decline in disposable income may result in reduced play levels on our Participation gaming machines, causing our results of operations and cash flows from these products to decline. Additionally, higher travel and other costs may adversely affect the number of players visiting our customers’ casinos. Adverse changes in discretionary consumer spending or consumer preferences, resulting in fewer patrons visiting casinos and reduced play levels, could also be driven by factors such as an unstable job market, recession, new or increased tariffs, outbreaks of contagious diseases or public perception thereof or fears of terrorism or other violence. A decline in play levels has negatively impacted the results of operations, cash flows and financial condition of our casino customers and their ability to purchase or lease our products and services.

Unfavorable economic conditions have also impacted, and could continue to impact, the ability of our Gaming customers to make timely payments to us. These conditions, and the concentration of certain outstanding Gaming segment receivables, may increase our collection risks and materially impact our estimate of receivables allowance for credit losses. In addition, unfavorable economic conditions have caused, and may cause in the future, some of our Gaming customers to temporarily close gaming venues or ultimately declare bankruptcy, which adversely affects our business. Further, our Gaming customers could elect to modify their replacement cycles or otherwise delay purchases and capital expenditures they would have otherwise made. Unfavorable economic conditions may also result in volatility in the credit and equity markets. The difficulty or inability of our customers to generate or obtain adequate levels of capital to finance their ongoing operations may reduce their ability to purchase our products and services.

In our iGaming business based on a Participation model, our revenue is largely driven by disposable incomes and level of player activity. Unfavorable economic conditions have previously reduced and may later reduce the disposable incomes of end users consuming the services, which could negatively impact revenues for the iGaming business. Suppliers to our iGaming business may suffer financial difficulties and may not be able to offer their services and products, which could restrict the provision of our services and negatively impact our revenues. Various gambling regulators have implemented additional responsible and safer gambling measures relating to online casinos, including the implementation of bet limits, spin speeds, deposit limits and bonusing, which could negatively impact our revenues, particularly if additional gambling regulators follow suit or additional measures are introduced.

In our SciPlay business, while we maintain offices in the U.S., we have employees and consultants operating in foreign jurisdictions, including Israel. In the foreign jurisdictions in which SciPlay operates, conditions such as political instability, inflation, slower growth or recession, new or increased tariffs, terrorist activity or threat thereof, armed conflicts or hostilities and civil unrest could adversely affect our business and results of operations. For example, political, economic and military conditions in Israel, including acts of terrorism, war or other armed conflicts, which have impacted our employees and operations in Israel, could in the future cause business interruptions or other spillover effects that could materially adversely affect SciPlay's business and results of operations.

Additionally, in our Gaming business, we monitor for any potential disruptions in our supply chain, such as those due to health epidemics, contagious disease outbreaks, or public perception thereof, terrorist activity or threat thereof, armed conflicts or hostilities, civil unrest or other economic or political uncertainties, or other events beyond our control, and we may be required to increase our inventory positions when deemed necessary to mitigate any expected or unexpected delays and fulfill customer orders timely. The current conflict in Israel has delayed passage of supplier vessels through the Red Sea and could require us to increase our inventory positions and/or could result in higher holding and freight costs, which could adversely impact our operations and/or gross margin.

There are ongoing concerns regarding the debt burden of certain countries, particularly in Europe and South America, and their ability to meet their future financial obligations, which have resulted in downgrades of the debt ratings for these countries. We currently operate in, and our growth strategy may involve pursuing expansion or business opportunities in certain of these jurisdictions, such as Argentina, Brazil, Greece, Italy and Puerto Rico among others. These sovereign debt concerns, whether real or perceived, could result in a recession, prolonged economic slowdown, or otherwise negatively impact the general health and stability of the economies in these countries or more broadly. In more severe cases, this could result in a limitation on the availability or flow of capital, thereby restricting our liquidity and negatively impacting our results of operations, cash flows and financial condition.

Changes in international trade policy, including the imposition of tariffs and the resulting consequences, may have a material adverse impact on our business, operating results, and financial condition.

The U.S. government has adopted new approaches to trade policy and in some cases, may renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreement. The U.S. government has also imposed tariffs on certain foreign goods and has raised the possibility of imposing significant, additional tariff increases or expanding the tariffs to capture other countries and types of foreign goods. In addition, in response to tariffs, other countries have implemented retaliatory tariffs on U.S. goods.

We cannot yet predict the full effect of the recently imposed U.S. tariffs on imports, or the extent to which other countries will impose quotas, duties, tariffs, taxes or other similar restrictions upon the import or export of materials in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business. As we currently source a portion of our Gaming Business raw materials and components from China and across Asia, any additional duties imposed on imports may materially impact our supply chain by making it more difficult or costly to procure these items. Potential adverse impacts on our operating results include increased costs for our products and disruptions in our manufacturing and supply. The overall impact of trade policy and laws on our business depends on multiple factors, including their duration, their scope and its potential expansion, enforcement, retaliatory measures by impacted exporting

countries, inflationary effects and broader macroeconomic responses, changes to consumer purchasing behavior, and the effectiveness of our responses in managing these impacts. While we believe we can adapt our business strategy to mitigate these effects, there is no assurance that these efforts will fully offset any increased costs.

Additionally, political tensions as a result of trade policies could reduce trade volume, investment and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. Uncertainties in global economic conditions have in the past negatively impacted discretionary consumer spending. As our revenue in our Gaming and iGaming businesses is largely driven by players' disposable incomes and level of gaming activity, a downturn in the economic environment may in turn have a material adverse impact on our business and financial condition.

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

We repurchased 1.9 million shares under the share repurchase programs during the three months ended March 31, 2025.

(in millions, except for price per share)

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased as Part of Publicly Announced Programs	Average Price Paid per Share[1]	Total Cost of Repurchase (in millions)[1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs (in millions)[1]
1/1/2025 - 1/31/2025	1.2	$ 87.58	$ 106	$ 607
2/1/2025 - 2/28/2025	0.7	$ 92.43	60	$ 547
3/1/2025 - 3/31/2025	—	$ 109.83	—	$ 547
Total	1.9	$ 87.37	$ 166	$ 547

(1) Average price paid per share is calculated on a settlement basis and excludes excise tax. As of January 1, 2023, our share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act, resulting in $1 million recorded as of March 31, 2025. Any excise tax incurred is recognized in stockholders' equity as part of the cost basis of the shares acquired.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

Certain of our officers or directors have made elections to participate in, and are participating in, our 401(k) plan and have made, and may from time to time make, elections to have shares withheld to cover withholding taxes, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K). During the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" as such term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description
2.1	Asset Purchase Agreement, dated as of February 17, 2025, by and among Grover Gaming, Inc., G2 Gaming, Inc. and LNW Gaming, Inc. (incorporated by reference to Exhibit 2.1 to Light & Wonder, Inc.'s Current Report on Form 8-K filed February 18, 2025).
3.1	Restated Articles of Incorporation of Light & Wonder, Inc., filed with the Secretary of State of the State of Nevada on August 5, 2022 (incorporated by reference to Exhibit 3.1(a) to Light & Wonder, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022).
3.2	Third Amended and Restated Bylaws of Light & Wonder, Inc., effective as of August 3, 2023 (incorporated by reference to Exhibit 3.2 to Light & Wonder, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023).
31.1	Certification of the Chief Executive Officer of Light & Wonder, Inc. pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(†)
31.2	Certification of the Chief Financial Officer of Light & Wonder, Inc. pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(†)
32.1	Certification of the Chief Executive Officer of Light & Wonder, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Certification of the Chief Financial Officer of Light & Wonder, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
99.1	Terms and Conditions of Equity Awards to Key Employees under the Scientific Games Corporation (as predecessor to Light & Wonder, Inc.) 2003 Incentive Compensation Plan (Amended and Restated June 12, 2019), for awards granted in 2025 or later.*(†)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Label Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Management contracts and compensation plans and arrangements in which directors and/or executive officers are eligible to participate.
** Furnished herewith.
(†) Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIGHT & WONDER, INC.

(Registrant)

By: /s/ Oliver Chow

Name: Oliver Chow

Title: *Executive Vice President, Chief Financial Officer and Treasurer*

Dated: May 7, 2025

Exhibit 31.1

Certification by Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew R. Wilson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Light & Wonder, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Matthew R. Wilson

Matthew R. Wilson
Chief Executive Officer

Date: May 7, 2025

Exhibit 31.2

Certification by Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Oliver Chow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Light & Wonder, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Oliver Chow

Oliver Chow
Chief Financial Officer

Date: May 7, 2025

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Light & Wonder, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew R. Wilson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Matthew R. Wilson

Matthew R. Wilson
Chief Executive Officer
May 7, 2025

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Light & Wonder, Inc. (the "Company") for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Oliver Chow, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Oliver Chow

Oliver Chow
Chief Financial Officer
May 7, 2025

LIGHT & WONDER, INC. (FKA SCIENTIFIC GAMES CORPORATION)
2003 INCENTIVE COMPENSATION PLAN
AS AMENDED AND RESTATED JUNE 9, 2021

TERMS AND CONDITIONS OF EQUITY AWARDS TO KEY EMPLOYEES

THIS AGREEMENT, made as of the [DAY] day of [MONTH], 20[YEAR], between LIGHT & WONDER, INC. (the "Company") and [PARTICIPANT NAME] (the "Participant").

WHEREAS, the Compensation Committee (the "Committee") administers the Light & Wonder, Inc. (FKA Scientific Games Corporation) 2003 Incentive Compensation Plan, as amended from time to time (the "Plan");

WHEREAS, the Participant is eligible to receive awards under the Plan in connection with the Participant's employment with the Company (or any of its applicable affiliates) ("Employment"); and

WHEREAS, the Committee may from time to time approve awards for the Participant in such amounts and at such times as the Committee may determine in its sole discretion, which awards shall be subject to the terms and conditions of the Plan and this Agreement, as such terms and conditions may be amended or supplemented from time to time by the Committee.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grants. Pursuant and subject to the terms and conditions set forth herein and in the Plan, the Participant may be granted the following types of awards ("Awards") with respect to the Company's Common Stock ("Common Stock"), pursuant to an Award notice, which will state the type of Award, the number of shares subject to the Award and any other terms determined by the Committee in its sole discretion:

(a) *Stock Options* ("Options") -- representing a right to purchase shares of Common Stock at an exercise price per share that is equal to or greater than the fair market value of a share of Common Stock on the date of grant. The Committee will generally set the exercise price of Options and "Performance Options" (as defined below) at the fair market value of the Common Stock on the date of grant. The Options and Performance Options do not become exercisable until satisfaction of an applicable vesting period. The Options and Performance Options are "Non-Qualified Stock Options" (*i.e.*, they do not constitute "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended ("Code")).

(b) *Restricted Stock Units* ("Units") -- representing a right to receive shares of Common Stock following satisfaction of an applicable vesting period subject to the conditions, restrictions and limitations set forth in Section 6(e) of the Plan, this Agreement and the Award notice.

(c) *Performance Conditioned Restricted Stock Units* ("Performance Units") *or Stock Options* ("Performance Options") -- representing (i) with respect to Performance Units, a right to receive shares of Common Stock and (ii) with respect to Performance Options, a right to purchase shares of Common Stock at an exercise price per share that is equal to or greater than the fair market value of a share of Common Stock on the date of grant, in both cases, following satisfaction of an applicable vesting period and subject to performance requirements established by the Committee at the time of grant, which may be based on Company or individual performance criteria for an annual or other applicable performance period, and subject to such other conditions, restrictions and limitations set forth in Section 7 of the Plan, this Agreement and the Award notice.

2. Incorporation of Plan by Reference. All terms, conditions and restrictions of the Plan are incorporated in, and made a part of, this Agreement as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan, as interpreted by the Committee, shall govern. Except as otherwise provided herein, all capitalized terms used in this Agreement shall have the meaning given to such terms in the Plan. In addition, if there is any conflict between this Agreement and the terms of any written employment contract between the Participant and the Company (or any of its applicable affiliates), the terms of the written employment contract will govern (except to the extent the terms set forth in this Agreement or the Award notice expressly apply notwithstanding anything to the contrary set forth in such employment contract), subject to the mandatory terms of the Plan.

3. Restriction on Transfer of Awards. Awards under the Plan may not be sold, assigned, transferred, pledged, hypothecated, margined, or otherwise encumbered or disposed of by the Participant, except for transfers upon the death of the Participant.

4. Vesting Schedule for Awards. Unless otherwise set forth in the applicable Award notice, an Award under the Plan will be granted with a three-year ratable vesting schedule such that 33.33% of the total Award will vest on each of the first two anniversaries of the grant date and 33.34% will vest on the third anniversary of the grant date. In the case of Performance Units and Performance Options, vesting will also be conditioned on satisfaction of performance criteria established by the Committee. With respect to such Performance Units and Performance Options, where the applicable performance criteria is not solely based on the Company's achievement of a specified stock price or average stock price value of the Common Stock, the Committee will determine whether the performance criteria applicable to an Award have been satisfied within 90 days following the end of the applicable performance period(s) (but not later than the March 15 following the year in which the performance period ended). Notwithstanding anything contained to the contrary in this Agreement (or in any prior award agreement), in any Award notice or in any other document (including any employment contract), in the event that the Participant's Employment is terminated prior to the Committee's determination as to the satisfaction of any performance criteria to which any Award of Performance Units or Performance Options is subject, such Performance Units or Performance Options, as applicable, will neither vest nor accelerate unless and until a determination is or has been made by the Committee that such criteria have been satisfied, at which time such Performance Units or Performance Options may vest or accelerate to the extent provided in, and in accordance with, any applicable contract and the Plan (it being understood and agreed that nothing in this Agreement shall grant any right to any such acceleration or vesting upon any such termination). For the avoidance of doubt, in the event that the criteria are determined not to have been satisfied, such Award shall immediately lapse and be forfeited.

5. Method of Exercise of Vested Options and Performance Options. Awards of Options and Performance Options, to the extent vested, shall be exercisable in whole or in part by the Participant delivering notice to the Plan Administrator (as defined below) in accordance with the terms of the Award. Payment for shares of Common Stock purchased upon the exercise of an Option or Performance Option, and any applicable withholding taxes, shall be made on the effective date of such exercise through any of the following means: (i) in cash, by certified check, bank cashier's check or wire transfer; (ii) through a brokered exercise with the Plan Administrator under which a portion of the proceeds from a sale are withheld for such exercise price and applicable taxes; or (iii) if permitted by the Company at the time of exercise, by surrendering shares of Common Stock. The notification to the Plan Administrator shall be made in accordance with its procedures. The shares of Common Stock purchased upon the exercise of an Option or Performance Option shall be delivered as soon as practicable following exercise in accordance with the procedures established by the Company or the Plan Administrator from time to time. Options and Performance Options may only be exercised by the Participant or, if the Participant is incapacitated, by the Participant's guardian or legal representative; provided that an exercise by a guardian or legal representative shall not be effective unless and until the Company has received evidence satisfactory to it as to the authority of such guardian or legal representative.

6. Distribution of Vested Units and Performance Units. Subject to Section 8, as soon as administratively practicable after each applicable vesting date of an Award of Units or Performance Units (generally within three business days and in no event more than 15 business days), the Company will deliver to the Participant a number of shares of Common Stock equal to the number of Units or Performance Units that vested as of an applicable vesting date less the number of shares, if any, withheld in satisfaction of applicable withholding taxes as discussed in Section 7(b).

7. Taxes. To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise with respect to an Award. The Company shall not be required to issue shares until such obligations are satisfied. The methods permitted by the Company for the payment of taxes are as follows:

(a) *Options and Performance Options*. In the case of Options and Performance Options, the acceptable methods for making payment for taxes shall be the same as those for payment of the exercise price for Options and Performance Options as discussed in Section 5 above. If shares of Common Stock are used to satisfy the applicable taxes, the taxes must be calculated at the Participant's minimum applicable tax rates.

(b) *Units and Performance Units*. In the case of Units and Performance Units, unless otherwise determined by the Committee, the Company will withhold from any shares deliverable upon the vesting of Units or Performance Units a number of shares sufficient to satisfy the minimum applicable withholding taxes; provided, however, that, unless otherwise determined by the Committee, the Participant will be permitted to elect, in accordance with procedures adopted from time to time by the Company, to pay the tax withholding amount in cash, in which case no shares will be withheld and the Participant will be required to pay the amount of the taxes in full by the vesting date, in cash, by certified check, bank cashier's check or wire transfer.

8. Expiration of Awards; Effect of Termination.

(a) *Units and Performance Units*. Subject to the provisions of the Plan and this Agreement, except to the extent otherwise specifically provided under the terms of any Award notice with respect to Units or Performance Units (as the case may be):

(i) in the event the Employment of the Participant terminates for any reason (other than by the Company without Cause, by reason of death or Disability or Retirement (in each case, as defined below)) including, for the avoidance of doubt, any termination as a consequence of Participant's resignation and whether or not the Company exercises a right on or following such resignation to end the Participant's Employment prior to the end of the Participant's contractual notice period (if any), all unvested Units and Performance Units shall be immediately forfeited;

(ii) in the event the Employment of the Participant terminates by the Company without Cause or by reason of Retirement, a Pro Rata Portion of all unvested Units or Performance Units shall, subject to the Committee's determination as to the satisfaction of any performance criteria in the case of any Performance Units (and for the avoidance of doubt, if such performance criteria is not satisfied, such Performance Units shall be forfeited) and subject to the execution of the Release (defined below), fully vest and become non- forfeitable and, in all other respects, all such Units or Performance Units shall be governed by the plans and programs and the agreements and other documents pursuant to which such Units or Performance Units were granted; or

(iii) in the event the Employment of the Participant terminates by reason of death or Disability, all unvested Units or Performance Units shall fully vest and become non-forfeitable as of the date of death or the date of such termination, as the case may be, and, in all other respects, all such Units or Performance Units shall be governed by the plans and programs and the agreements and other documents pursuant to which such Units or Performance Units were granted.

In the event any Units or Performance Units vest in accordance with this Section 8, then solely for purposes of determining the date(s) upon which shares of Common Stock shall be distributed to the Participate in accordance with Section 6, the vesting date shall be (x) in the case of death or Disability, the date of such death or Disability, (y) in the case of any Performance Units that remain subject to achievement of performance criteria, the date the Committee determines the level of achievement of the performance criteria or, if later, the Release Effective Date (as defined below) and (z) in the case of a Participant's Retirement or termination without Cause, the Release Effective Date.

(b) *Options and Performance Options*. The Options and Performance Options granted by the Company will expire at a date specified in the Award notice, which shall be not later than the tenth anniversary of the grant date (the "Scheduled Expiration Date"). Subject to the provisions of the Plan and this Agreement, except to the extent otherwise specifically provided under the terms of any Award notice with respect to Options or Performance Options (as the case may be):

(i) in the event the Employment of the Participant terminates for any reason (other than by the Company without Cause, by reason of death or Disability or Retirement) including, for the avoidance of doubt, any termination as a consequence of Participant's resignation and whether or not the Company exercises a right on or following such resignation to end the Participant's Employment prior to the end of the Participant's contractual notice period (if any), (A) all unvested Options and Performance Options shall immediately expire on the date of termination and (B) the portion of any Options and Performance Options that vested prior to such termination (other than a termination for Cause, in which event all such vested Options and Performance Options shall be immediately forfeited) shall remain exercisable until the earlier of three (3) months after such termination and the Scheduled Expiration Date and, in all other respects, shall be governed by the plans and programs and the agreements and other documents pursuant to which such Options or Performance Options, as applicable, were granted;

(ii) in the event the Employment of the Participant terminates by the Company without Cause or by reason of Retirement, a Pro Rata Portion of all unvested Options or Performance Options shall, subject to the Committee's determination as to the satisfaction of any performance criteria in the case of any Performance Options (and for the avoidance of doubt, if such performance criteria is not satisfied, such Performance Options shall be forfeited) and subject to the execution of the Release, fully vest and become non-forfeitable, and such Options and Performance Options (together with the portion of any Options or Performance Options that vested prior to such termination) shall remain exercisable by the Participant until the earlier of (A) the first anniversary of such termination (or, if later, the date the performance criteria are deemed satisfied) and (B) the Scheduled Expiration Date and, in all other respects, all such Options or Performance Options shall be governed by the plans and programs and the agreements and other documents pursuant to which such Options or Performance Options were granted;

(iii) in the event the Employment of the Participant terminates by reason of death or Disability, all unvested Options and Performance Options shall fully vest and become non-forfeitable as of the date of death or the date of such termination, as the case may be, and such Options and Performance Options (together with the portion of any Options or Performance Options that vested prior to such death or termination) shall remain exercisable by the Participant (or, in the case of death, Participant's executor or administrator or "Beneficiary" (as defined below)) until the earlier of (A) the first anniversary of such death or termination and (B) the Scheduled Expiration Date and, in all other respects, all such Options or Performance Options shall be governed by the plans and programs and the agreements and other documents pursuant to which such Options or Performance Options were granted.

For purposes of this Agreement, "Pro Rata Portion" means a number of Units, Performance Units, Options or Performance Options, as applicable, equal to the number of shares of Common Stock subject to the Award multiplied by a fraction, the numerator of which is equal to the number of days elapsed from the applicable grant date through the date that the Participant's Employment is terminated, inclusive, and the denominator of which is the total number of days in the applicable vesting schedule for such Award; provided that, the Pro Rata Portion shall be reduced by a number of shares of Common Stock subject to any portion of the Award that has otherwise vested on or

prior to the date of such termination; provided further that the Company may, in its sole discretion, determine to reduce the Pro Rata Portion by removing any portion of the time period that would otherwise be reflected in the numerator during which the Participant was on garden leave or otherwise not actively providing services to the Company and that exceeded, in the aggregate, the lesser of two (2) months and a period equal to one third of the Participant's contractual notice period (if any). The vesting of any Pro Rata Portion in the event the Employment of the Participant terminates by the Company without Cause or due to Retirement is conditioned on (x) the Participant signing the Company's standard employment release agreement (the "Release") within the time period provided by the Company and (y) such Release becoming irrevocable (the first business day after the date such signed and unrevoked Release becomes irrevocable, the "Release Effective Date"; provided that if the period during which the Release may become effective and irrevocable may span two calendar years, then the Release Effective Date shall not be earlier than the first business day in the second calendar year). Any shares of Common Stock resulting from application of a Pro Rata Portion shall be rounded down to the nearest whole share.

By way of illustration, if an Award consists of 300 Units (i.e., an Award with respect to 300 shares of Common Stock) vesting in three equal annual tranches (i.e., a 1,096 day vesting period, including an extra day in respect of a leap year) and the Participant is terminated without Cause 546 days into the vesting period, then the Pro Rata Portion would be calculated as follows (assuming no use of Company discretion to reduce the numerator for a garden leave period as described in the immediately preceding paragraph): (i) 546, representing the days elapsed in the vesting period as of the date of termination; *divided by* (ii) 1,096, representing the total number of days in the vesting period; *multiplied by* (iii) 300, representing the total number of shares subject to the Award; and (iv) *less* 100, representing the portion of the award that has vested prior to the date of termination. The resulting number of shares, 49.45, would be rounded down to 49.

For purposes of this Agreement, "Cause" shall have the meaning provided in any employment contract entered into between the Company and the Participant or, if not defined therein or no such contract exists, shall mean any of the following: (i) the Participant's breach of the terms of any employment or other agreement with any of the Company and its subsidiaries and affiliates (collectively, "LNW"); (ii) the Participant's failure substantially to perform his or her duties in a satisfactory manner; (iii) the Participant's material act or omission that is or may be injurious to LNW, monetarily or otherwise; (iv) the Participant's material violation of LNW's policies, including the Code of Conduct; (v) Participant's failure to qualify (or failure to remain qualified) under any suitability or licensing requirements to which Participant may be subject by reason of Participant's position with LNW; (vi) Participant's failure to cooperate with or respond to any regulatory requests for information in connection with such licensing requirements; (vii) Participant's failure to timely file required license applications; (viii) the denial of any license application submitted by Participant; and (ix) the Participant's commission of a felony, any other crime involving moral turpitude or any act involving dishonesty or fraud. Any rights LNW may have hereunder in respect of the events giving rise to Cause shall be in addition to the rights LNW may have under any other agreement with the Participant or at law or in equity. Any determination of whether the Participant is (or is deemed to have been) terminated for Cause shall be made, in the case where the Participant is an executive officer, by the Committee in its discretion, and in the case where the Participant is not an executive officer, by the Chief Legal Officer, in consultation with the Chief People Capability Officer. The Participant's termination for Cause shall be effective as of the date of the occurrence of the event giving rise to Cause, regardless of

when the determination of Cause is made.

For purposes of this Agreement, "Beneficiary" means the person, persons, trust, or trusts which have been designated by a Participant in his or her most recent written beneficiary designation filed with the Company to receive the benefits specified under the Plan upon such Participant's death. If, upon a Participant's death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means a person, persons, trust, or trusts entitled by will or the laws of descent and distribution to receive such benefits. A Beneficiary or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award agreement applicable to such Participant and to any additional terms and conditions deemed necessary or appropriate by the Committee.

For purposes of this Agreement, "Retirement" means the Participant voluntarily retires from the employ of the Company on or after the attainment of age 65 (or, for Participants employed outside the United States, any alternative date required to comply with local law).

Notwithstanding anything to the contrary herein, in order for any such retirement to qualify as a Retirement, the Participant must have given written notice, in a form reasonably satisfactory to the Company, to the Participant's supervisor, with a copy to the Chief People Capability Officer of the Company (or, if the Participant is the Chief People Capability Officer of the Company, to the Chief Executive Officer of the Company) that (i) represents to the Company the Participant's intent to retire from the Company, in particular that the Participant will not provide services to any person or entity that would violate any non-competition covenant applicable to the Participant, and (ii) specifies the intended date of such retirement, which must be at least 30 days after the date such written notice is given. Any failure to comply with the foregoing, or any violation of the Participant's representations contained in such notice, shall result in a reclassification of the Participant's termination of Employment as a voluntary termination that did not qualify as a Retirement and the forfeiture or any unvested Awards or the requirement to repay to the Company any amounts or shares received in respect of Awards that vested as a result of such Retirement.

(c) *Definition of Disability*. For purposes of this Agreement, "Disability" shall mean the Participant's becoming eligible to receive benefits under any LNW-sponsored long-term disability program under which the Participant is eligible for coverage, determined in accordance with Section 409A of the Code.

(d) *Last Day to Exercise an Option or Performance Option*. If an Option's or Performance Option's expiration date determined under this Section 8 falls on a day which is not a business day, then the last day to exercise the Option or Performance Option shall be the last business day before such date.

9. Other Terms.

(a) *No Shareholder Rights*. Until shares of Common Stock covered by an Award are issued to the Participant in connection with the exercise of an Option or Performance Option or the vesting of Units or Performance Units, the Participant shall have no voting, dividend or other rights as a stockholder of the Company for any purpose.

(b) *Consideration for Grant*. Participant shall not be required to pay any cash

consideration for the grant of an Award. In the case of grants of Units and Performance Units, as to which cash consideration at the time of grant or vesting shall not be required, the Participant's Employment from the grant date to the date of vesting shall be deemed to be consideration for the grant, which services have a value at least equal to the aggregate par value of the shares being newly issued in connection with the grant. The foregoing notwithstanding, an Award may be granted in exchange for the Participant's surrender of another Award or other right to compensation, if and to the extent permitted by the Committee.

(c) *Insider Trading Policy Applicable.* Participant acknowledges that sales of shares received with respect to Awards will be subject to the LNW's policies regulating trading by employees.

10. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in a writing signed by such party and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement, the Plan and the other documents, including without limitation, the Award notice, which form a part of this Agreement, and any employment contract between the Participant and the Company contain the entire understanding of the parties with respect to the subject matter herein. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof (except for any other agreement related to non-competition, non-solicitation, proprietary or confidential information, inventions or similar agreements) other than those expressly set forth herein. This Agreement, including, without limitation, the Plan, supersedes all prior agreements and understandings (except for any employment contract between the Participant and the Company and any other agreement related to non-competition, non-solicitation, proprietary or confidential information, inventions or similar agreements) between the parties with respect to its subject matter. The obligations under this Agreement shall supplement and be in addition to (and not replace or otherwise modify or affect) any restrictive covenant or other obligations set forth in any employment agreement, non- competition, non-solicitation, proprietary or confidential information, inventions or similar agreement and this Agreement shall remain in full force and effect even if any employment agreement, non-competition, non-solicitation, proprietary or confidential information, inventions or similar agreement, or any section thereof, is determined to be void, illegal, or otherwise unenforceable. If, notwithstanding the foregoing, obligations related to non-competition, non-solicitation, proprietary or confidential information and inventions in another agreement with Participant are deemed to conflict with provisions in this Agreement, then the obligation that provides the greatest protection to the Company's legitimate protectable interests shall be the controlling obligation irrespective of the sequence in which the obligations were entered into by Participant.

12. Governing Law; Venue/Forum. In order to promote uniformity and predictability of treatment concerning matters related to the Awards by the Company, the laws of the State of Nevada where the Company is incorporated will govern the Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties, regardless of any conflicts of law principles of Nevada or any other state. Any legal action arising from or related to this Agreement shall be litigated in a state or federal court of competent jurisdiction located in Las Vegas, Nevada. The parties expressly consent to the personal jurisdiction of the aforementioned courts over them and waive any all objections to the foregoing venue/forum selection (including, without limitation, any objection based on amount of contact with the selected venue, or the cost, convenience or location of relevant persons).

13. Restrictive Covenants Condition. The Participant hereby acknowledges and agrees that the receipt of Awards, including any right to exercise an Option or Performance Option, receive the shares of Common Stock following a vesting date or to retain the profit from the sale of shares of Common Stock subject to an Award, is conditioned upon Participant's compliance with the restrictive covenants in Section 14-17 of this Agreement.

14. Noncompetition; Non-solicitation.

(a) Participant acknowledges the highly competitive nature of the business of LNW and that Participant's access to LNW's confidential records and proprietary information and ability to develop relationships with LNW's customers and employees renders Participant special and unique within LNW's industries. Participant hereby agrees that during his or her Employment, and during the Covered Time (as defined below), Participant, alone or with others, will not perform the same or substantially the same job duties as Participant performed for the Company, directly or indirectly, (as owner, investor, partner, stockholder, employer, employee, consultant, advisor, director or otherwise) for any Competing Business. For purposes of this Section 14, "Competing Business" shall mean any business or operations (i) (A) involving the design, development, manufacture, production, sale, lease, license, provision, operation, or management (as the case may be) of (I) gaming machines, terminals or devices (including video or reel spinning slot machines, video poker machines, video lottery terminals and fixed odds betting terminals); (II) gaming (including server-based gaming), or other wagering systems, regardless of whether such systems are land-based, internet-based or mobile (including control and monitoring systems, local or wide-area progressive systems and redemption systems); (III) real money gaming- or social gaming-related proprietary or licensed content (including themes, entertainment and brands), platforms, websites and loyalty and customer relationship management programs regardless of whether any of the foregoing are land-based, internet-based or mobile-based; (IV) social casino games, social bingo games or hyper-casual games or websites or mobile phone or tablet applications (or similar known, or hereafter existing, technologies) featuring social casino games, social bingo games or hyper-casual games or any related marketing, distribution, or other services or programs; (V) interactive casino gaming products or services, including interactive casino-game themed games and platforms for websites or mobile phone or tablet applications (or similar known, or hereafter existing, technologies); (VI) gaming utility products (including shufflers, card-reading shoes, deck checkers and roulette chip sorters), table games (including live, simulated, online, social gaming, interactive and electronic) and related products and services; (VII) slot accounting, casino management, casino marketing, player tracking, video lottery, bingo or similar gaming- or casino- related systems and related peripheral hardware, software and services; or (VIII) ancillary

products (including equipment, hardware, software, marketing materials, chairs and signage) or services (including field service, maintenance and support) related to any of the foregoing under sub-clauses (I) through (VII) above; or (B) in which LNW is then or was within the previous 12 months engaged, or in which LNW, to Participant's knowledge, contemplates to engage in during Participant's Employment or the Covered Time, (ii) in which Participant is or was engaged or involved (whether in a supervisory capacity or otherwise) on behalf of LNW or with respect to which Participant has obtained proprietary or confidential information, and (iii) which is or was, to Participant's knowledge, conducted or contemplated to be conducted anywhere in the United States or in any other geographic area where LNW does business during Participant's Employment or the Covered Time.

(b) Participant hereby agrees that, during his or her Employment and for twelve months after the date of Participant's termination from Employment, whether voluntary or involuntary and regardless of the reason for termination, (the "Termination Date"), Participant shall not, directly or indirectly: (i) solicit or attempt to induce any of the employees, agents, consultants or representatives of LNW to terminate his, her, or its relationship with LNW; (ii) solicit or attempt to induce any of the employees, agents, consultants or representatives of LNW to become employees, agents, consultants or representatives of any other person or entity; or (iii) hire any person who, to Participant's actual knowledge, is, or was within 180 days prior to such hiring, an employee of LNW.

(c) Participant hereby agrees that, during his or her Employment and for twelve months after Participant's Termination Date, Participant shall not, without LNW's prior written consent, directly or indirectly, whether for Participant's own account or for the account of any other person, firm, corporation or business organization, solicit or perform services of a type offered by LNW, for any customer, partner, vendor, distributor, with whom Participant worked with on behalf of LNW or about which Participant received confidential information during his or her Employment. Participant shall also not solicit or provide services of a type offered by LNW to any prospective customer, partner, vendor, or distributor to whom LNW made a proposal within the last 12 months prior to the Termination Date in which the Participant participated or about which the Participant received confidential information. Participant further agrees not to solicit or attempt to induce any partner, customer, vendor or distributor of LNW to curtail or cancel any business with LNW. Participant acknowledges and agrees that the restrictions contained in this subsection 14(c) are reasonable and necessary to protect LNW's legitimate interests in its customer, partner, vendor, and distributor relationships, goodwill, and confidential information.

(d) Participant hereby agrees that, during his or her Employment and for twelve months after Participant's Termination Date, upon the earlier of Participant (i) negotiating with any Competitor (as defined below) concerning possible employment with the Competitor, (ii) responding to (other than for the purpose of declining) an offer of employment from a Competitor, or (iii) becoming employed by a Competitor, (A) Participant will provide copies of this Agreement to the Competitor, and (B) in the case of any circumstance described in (i), (ii), or (iii) above occurring during Participant's Employment or during the twelve months after Participant's Termination Date, Participant will promptly provide notice to the Company of such circumstances. Participant further agrees that the Company may provide notice to a Competitor of Participant's obligations under this Agreement. For purposes of this Agreement, "Competitor" shall mean any person or entity (other than LNW) that engages, directly or indirectly, in the United States or

anywhere else LNW does business in any Competing Business.

(e) Participant understands that the restrictions in this Section 14 may limit Participant's ability to earn a livelihood in a business similar to the business of LNW where Participant's job responsibilities in the new business would be the same or substantially similar to the job duties performed for LNW during the twelve months preceding Participant's departure from LNW but nevertheless agrees and acknowledges that Participant willingly entered into this Agreement and agreed that the consideration provided under this Agreement is sufficient to justify such restrictions and that Participant agreed to be bound by these restrictions in exchange for such consideration. In consideration thereof and in light of Participant's education, skills and abilities, Participant hereby agrees that Participant will not assert in any forum that such restrictions prevent Participant from earning a living or otherwise should be held void or unenforceable.

(f) For purposes of this Section 14, "Covered Time" shall mean six months immediately following the Participant's Termination Date and, if LNW in its sole discretion elects, for up to an additional six months if LNW, in its sole discretion, to pay Participant on regular paydays an amount equal to Participant's base rate of pay at the time of termination, less standard withholdings, during this additional extended period of non- competition. LNW shall give Participant written notice of the election to extend the non-competition period at least thirty days before the expiration of the initial six-month term. The written notice of election shall be mailed to the last address LNW had on record for the Participant.

Notwithstanding anything herein to the contrary, nothing in this Agreement shall (i) prohibit Participant from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (ii) require notification or prior approval by LNW of any reporting described in clause (i). Participant understands that activities protected by Sections 15 and 16 may include disclosure of trade secret or confidential information within the limitations permitted by the Defend Trade Secrets Act ("DTSA"). And, in this regard, Participant acknowledges notification that under the DTSA no individual will be held criminally or civilly liable under federal or state trade secret law for disclosure of a trade secret (as defined in the Economic Espionage Act) that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or, (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. And, an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

15. Proprietary Information; Inventions.

(a) Participant hereby acknowledges that, during the course of his or her Employment, Participant necessarily will have (and during any affiliation with LNW prior to his or her Employment Participant may have had) access to and make use of proprietary information

and confidential records of LNW. Participant covenants that Participant shall not during his or her Employment or at any time thereafter, directly or indirectly, use for his or her own purpose or for the benefit of any person or entity other than LNW, nor otherwise disclose to any person or entity, any such proprietary information, unless and to the extent such disclosure has been authorized in writing by the Company or is otherwise required by law. The term "proprietary information" means: (i) the software products, programs, applications, and processes utilized by LNW; (ii) the name or address of any customer or vendor of LNW or any information concerning the transactions or relations of any customer or vendor of LNW or with LNW; (iii) any information concerning any product, technology, or procedure employed by LNW but not generally known to its customers or vendors or competitors, or under development by or being tested by LNW but not at the time offered generally to customers or vendors; (iv) any information relating to LNW's computer software, computer systems, pricing or marketing methods, sales margins, cost of goods, cost of material, capital structure, operating results, borrowing arrangements or business plans; (v) any information identified as confidential or proprietary in any line of business engaged in by LNW; (vi) any information that, to Participant's actual knowledge, LNW ordinarily maintains as confidential or proprietary; (vii) any business plans, budgets, advertising or marketing plans; (viii) any information contained in any of LNW's written or oral policies and procedures or manuals; (ix) any information belonging to customers, vendors or any other person or entity which LNW, to Participant's actual knowledge, has agreed to hold in confidence; and (x) all written, graphic, electronic data and other material containing any of the foregoing. Participant acknowledges that information that is not novel or copyrighted or patented may nonetheless be proprietary information. The term "proprietary information" shall not include information generally known or available to the public or information that becomes available to Participant on an unrestricted, non-confidential basis from a source other than LNW or any of its directors, officers, employees, agents or other representatives (without breach of any obligation of confidentiality of which Participant has knowledge, after reasonable inquiry, at the time of the relevant disclosure by Participant). Notwithstanding the foregoing and Section 16, Participant may disclose or use proprietary information or confidential records solely to the extent (A) such disclosure or use may be required or appropriate in the performance of Participant's Employment, (B) required to do so by a court of law, by any governmental agency having supervisory authority over the business of LNW or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order Participant to divulge, disclose or make accessible such information (provided that in such case Participant shall first give the Company prompt written notice of any such legal requirement, disclose no more information than is so required and cooperate fully with all efforts by LNW to obtain a protective order or similar confidentiality treatment for such information), (C) such information or records becomes generally known to the public without Participant's violation of this Agreement, or (D) disclosed to Participant's spouse, attorney or personal tax and financial advisors to the extent reasonably necessary to advance Participant's tax, financial and other personal planning (each an "Exempt Person"); provided, however, that any disclosure or use of any proprietary information or confidential records by an Exempt Person shall be deemed to be a breach of this Section 15 or Section 16 by Participant.

(b) Participant hereby agrees that all processes, technologies and inventions (collectively, "Inventions"), including new contributions, improvements, ideas and discoveries, whether patentable or not, conceived, developed, invented or made by Participant during his or her Employment (and during any affiliation with LNW prior to Participant's Employment) shall belong to the LNW, provided that such Inventions grew out of Participant's work with LNW, are

related in any manner to the business (commercial or experimental) of LNW or are conceived or made on LNW's time or with the use of LNW's facilities or materials. Participant further agrees to: (i) promptly disclose such Inventions to the Company; (ii) assign to the LNW, without additional compensation, all patent and other rights to such Inventions for the United States and foreign countries; (iii) sign all papers necessary to carry out the foregoing; and (iv) give testimony in support of Participant's Inventions. If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by Participant within two (2) years after the termination of Participant's Employment, it is to be presumed that the Invention was conceived or made during Participant's Employment. Participant agrees that Participant will not assert any rights to any Invention as having been made or acquired by him or her prior to the date of this Agreement, except for Inventions, if any, disclosed by Participant in writing in connection with his or her execution of this Agreement.

16. Confidentiality and Surrender of Records. Participant hereby agrees that Participant shall not, during his or her Employment or at any time thereafter (irrespective of the circumstances under which his or her Employment terminates), except to the extent required by law, directly or indirectly publish, make known or in any fashion disclose or retain any confidential records to, or permit any inspection or copying of confidential records by, any person or entity other than in the course of such person's or entity's employment or retention by LNW, and Participant further agrees to deliver promptly to the Company, any of the same following termination of his or her Employment for any reason or upon request by LNW. For purposes hereof, "confidential records" means those portions of correspondence, memoranda, files, manuals, books, lists, financial, operating or marketing records, magnetic tape, or electronic or other media or equipment of any kind in Participant's possession or under Participant's control or accessible to Participant which contain any proprietary information. All confidential records shall be and remain the sole property of the Company during Participant's Employment and thereafter. Furthermore, Participant acknowledges that he or she may also have access to information related to LNW employees, customers, players, or other individuals which is protected under the various data privacy laws to which LNW is subject and such information is also considered confidential records required to be protected under the provisions of this Agreement.

17. Non-disparagement. Participant hereby agrees that Participant shall not, during his or her Employment and thereafter, disparage in any material respect LNW, any of their respective businesses, any of their respective officers, directors or employees, or the reputation of any of the foregoing persons or entities, whether orally, in writing, or otherwise, directly or by implication in communication with any person, including, but not limited to, customers, partners, vendors, distributors, or independent contractors of LNW or agents with whom LNW does business. Notwithstanding the foregoing, nothing in this Agreement shall preclude Participant from making truthful statements that are required by applicable law, regulation or legal process.

18. No Other Obligations. Participant hereby represents that Participant is not precluded or limited in his or her ability to undertake or perform his or her Employment by any contract, agreement or restrictive covenant. Participant covenants that Participant shall not employ the trade secrets or proprietary information of any other person in connection with his or her Employment without such person's written authorization.

19. Forfeiture of Outstanding Equity Awards; "Clawback" Policies. For the avoidance

of doubt, Section 8(g) of the Plan shall apply with respect to Awards the Participant may receive.

20. Enforcement. Participant acknowledges and agrees that, by virtue of his or her position, Employment and access to and use of confidential records and proprietary information, any violation by Participant of any of the obligations contained in this Agreement would cause LNW immediate, substantial and irreparable injury for which it has no adequate remedy at law. Accordingly, Participant hereby agrees and consents to the entry of an injunction or other equitable relief by a court of competent jurisdiction restraining any violation or threatened violation of any obligation contained in this Agreement in addition to any other remedies. Participant waives posting of any bond otherwise necessary to secure such injunction or other equitable relief or to the extent such a bond is required by law it shall be limited to an amount of $1,000. Rights and remedies provided for in this Agreement, including but not limited to injunctive relief, monetary damages, and all remedies contemplated by the Plan (including but not limited to termination or forfeiture of Awards), are cumulative and shall be in addition to rights and remedies otherwise available to the parties hereunder or under any other agreement or applicable law.

21. Data Privacy. For Participants in certain jurisdictions, the data privacy laws of such jurisdictions may require the Participant's consent to the use, disclosure and transfer to the Company and its Plan Administrator (as defined below) in the United States of certain personal information necessary to administer the Plan and any Awards the Participants may receive. Accordingly, if applicable, the Participant hereby acknowledges and agrees that the Participant's receipt of any Awards, including any right to exercise an Option or Performance Option, receive the shares of Common Stock following vesting of an award of Units or Performance Units or retain the profit from the sale of shares of Common Stock subject to an Award, is conditioned upon Participant's consent to the use, disclosure and transfer to the Company and its Plan Administrator in the United States of such personal information.

22. Plan Administrator. The Company has retained Fidelity Stock Plan Services, LLC ("Fidelity") as a third-party administrator to assist in the administration and management of the Plan (the "Plan Administrator"). A listing of all Awards may be viewed through the Plan Administrator's website at www.NetBenefits.com once the Participant has established an account with the Plan Administrator. The Plan Administrator shall handle the processing of Option and Performance Option exercises and vesting and settlement of Units and Performance Units. The Company reserves the right to replace Fidelity as the Plan Administrator at any time in the Company's sole discretion.

23. Participant Acknowledgment. The Participant hereby acknowledges receipt of a copy of the Plan. The Participant hereby acknowledges that all decisions, determinations and interpretations of the Committee in respect of the Plan, this Agreement and the Awards shall be final and conclusive.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical

delivery of the paper document bearing an original signature.

25. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant or and the Participant's beneficiaries, executors, administrators and the person(s) to whom the Award may be transferred by will or the laws of descent or distribution.

26. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officer, and the Participant has signed this Agreement on his or her own behalf, thereby representing that he or she has carefully read and understands this Agreement and the Plan as of the day and year first written above.

LIGHT & WONDER, INC.

By:

Roxane Lukas
Executive Vice President and Chief People Capability Officer

PARTICIPANT:

[PARTICIPANT NAME]