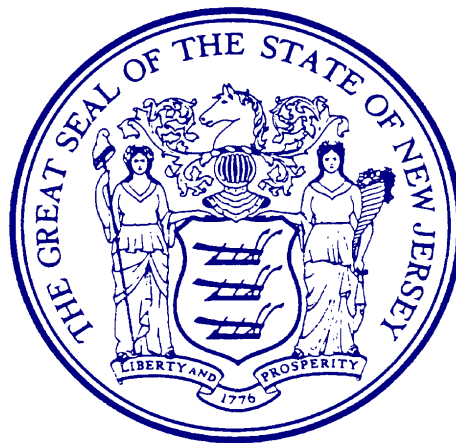


**CIE NEW JERSEY, LLC
QUARTERLY REPORT**

FOR THE QUARTER ENDED DECEMBER 31, 2023

**SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY**



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

CIE NEW JERSEY, LLC

BALANCE SHEETS

AS OF DECEMBER 31, 2023 AND 2022

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2023 (c)	2022 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$18,116	\$19,903
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2023, \$49 ; 2022, \$ 72).....	9	3,519	5,324
4	Inventories		0	0
5	Other Current Assets.....	5*	657	5,893
6	Total Current Assets.....		22,292	31,120
7	Investments, Advances, and Receivables.....		0	0
8	Property and Equipment - Gross.....	6	132	132
9	Less: Accumulated Depreciation and Amortization.....	6	(107)	(79)
10	Property and Equipment - Net.....	6	25	53
11	Other Assets.....		0	202
12	Total Assets.....		\$22,317	\$31,375
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$1,128	\$745
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....		0	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	7	7,366	10,895
19	Other Current Liabilities.....	7	13,680	21,473
20	Total Current Liabilities.....		22,174	33,113
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		0	0
23	Deferred Credits		0	0
24	Other Liabilities.....		4,750	5,067
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		26,924	38,180
27	Stockholders', Partners', or Proprietor's Equity.....		(4,607)	(6,805)
28	Total Liabilities and Equity.....		\$22,317	\$31,375

*Other current assets includes restricted cash of \$18 as of 12/31/23 and \$4,819 as of 12/31/22

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

CIE NEW JERSEY, LLC

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2023 (c)	2022 (d)
	Revenue:			
1	Casino.....	9	\$44,944	\$70,861
2	Rooms.....		0	0
3	Food and Beverage.....		0	0
4	Other.....	9 & 10	12,800	10,020
5	Net Revenue.....		57,744	80,881
	Costs and Expenses:			
6	Casino.....		32,426	46,920
7	Rooms, Food and Beverage.....		0	0
8	General, Administrative and Other.....		1,639	1,208
9	Total Costs and Expenses.....		34,065	48,128
10	Gross Operating Profit.....		23,679	32,753
11	Depreciation and Amortization.....		28	31
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....	4	294	441
14	Income (Loss) from Operations.....		23,357	32,281
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		0	0
17	CRDA Related Income (Expense) - Net.....		0	0
18	Nonoperating Income (Expense) - Net.....		0	0
19	Total Other Income (Expenses).....		0	0
20	Income (Loss) Before Taxes		23,357	32,281
21	Provision (Credit) for Income Taxes.....		0	0
22	Net Income (Loss).....		\$23,357	\$32,281

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

CIE NEW JERSEY, LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2023 (c)	2022 (d)
	Revenue:			
1	Casino.....		\$11,068	\$13,602
2	Rooms.....			0
3	Food and Beverage.....			0
4	Other.....		2,247	6,256
5	Net Revenue.....		13,315	19,858
	Costs and Expenses:			
6	Casino.....		7,978	8,305
7	Rooms, Food and Beverage.....		0	0
8	General, Administrative and Other.....	*	426	(1,076)
9	Total Costs and Expenses.....		8,404	7,229
10	Gross Operating Profit.....		4,911	12,629
11	Depreciation and Amortization.....		6	7
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		73	109
14	Income (Loss) from Operations.....		4,832	12,513
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		0	0
17	CRDA Related Income (Expense) - Net.....		0	0
18	Nonoperating Income (Expense) - Net.....		0	0
19	Total Other Income (Expenses).....		0	0
20	Income (Loss) Before Taxes		4,832	12,513
21	Provision (Credit) for Income Taxes.....		0	0
22	Net Income (Loss).....		\$4,832	\$12,513

*Three months ended 12/31/22 presents credit balance due to reversal of duplicate accrual related to affiliate costs in

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

CIE NEW JERSEY, LLC
STATEMENTS OF CHANGES IN PARTNERS',
PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2023

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2021.....			(\$5,302)		(\$5,302)
2	Net Income (Loss) - 2022.....			32,281		32,281
3	Capital Contributions.....			0		0
4	Capital Withdrawals.....			0		0
5	Partnership Distributions.....			0		0
6	Prior Period Adjustments.....			0		0
7	Distribution to Member			(33,784)		(33,784)
8						0
9						0
10	Balance, December 31, 2022.....		0	(6,805)	0	(6,805)
11	Net Income (Loss) - 2023.....			23,357		23,357
12	Capital Contributions.....			0		0
13	Capital Withdrawals.....			0		0
14	Partnership Distributions.....			0		0
15	Prior Period Adjustments.....			0		0
16	Distribution to Member			(21,159)		(21,159)
17						0
18						0
19	Balance, December 31, 2023.....		\$0	(\$4,607)	\$0	(\$4,607)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

CIE NEW JERSEY, LLC

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2023 (c)	2022 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$14,571	\$32,618
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment.....		0	0
5	Proceeds from Disposition of Property and Equipment.....		0	0
6	CRDA Obligations		0	0
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances		0	0
9	Cash Outflows to Acquire Business Entities.....		0	0
10	.....		0	0
11	.....		0	0
12	Net Cash Provided (Used) By Investing Activities.....		0	0
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt		0	0
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		0	0
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	0
21	Net Distributions to Member		(21,159)	(33,784)
22	.....		
23	Net Cash Provided (Used) By Financing Activities.....		(21,159)	(33,784)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(6,588)	(1,166)
25	Cash and Cash Equivalents at Beginning of Period.....		24,722	25,888
26	Cash and Cash Equivalents at End of Period.....		\$18,134	\$24,722
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$0	\$0
28	Income Taxes.....		\$0	\$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

CIE NEW JERSEY, LLC

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2023 (c)	2022 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$23,357	\$32,281
30	Depreciation and Amortization of Property and Equipment...		28	31
31	Amortization of Other Assets.....		0	0
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	0
36	(Gain) Loss on CRDA-Related Obligations.....		0	0
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		1,805	(2,982)
39	(Increase) Decrease in Inventories		0	0
40	(Increase) Decrease in Other Current Assets.....		435	368
41	(Increase) Decrease in Other Assets.....		31	(28)
42	Increase (Decrease) in Accounts Payable.....		383	(30)
43	Increase (Decrease) in Other Current Liabilities		(11,151)	(289)
44	Increase (Decrease) in Other Liabilities		(317)	3,267
45	.....			0
46	.....			0
47	Net Cash Provided (Used) By Operating Activities.....		\$14,571	\$32,618

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		\$0	\$0
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		\$0	\$0
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed.....		0	0
55	Issuance of Stock or Capital Invested.....		0	0
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

CIE NEW JERSEY, LLC
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Promotional Gaming Credits				
7	Complimentary Cash Gifts				
8	Entertainment				
9	Retail & Non-Cash Gifts				
10	Parking				
11	Other	64	22,943		
12	Total	64	\$22,943	0	\$0

FOR THE THREE MONTHS ENDED DECEMBER 31, 2023

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Promotional Gaming Credits				
7	Complimentary Cash Gifts				
8	Entertainment				
9	Retail & Non-Cash Gifts				
10	Parking				
11	Other	5	5,550		
12	Total	5	\$5,550	0	\$0

*No item in this category (Other) exceeds 5%.

**Other includes cash bonuses and loyalty programs recorded as a reduction to revenue.

**CIE NEW JERSEY, LLC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED DECEMBER 31, 2023

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Division's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

3/29/2024

Date



Eric Hession

President Caesars Sports & Online
Title

4232-03

License Number

On Behalf of:

CIE NEW JERSEY, LLC

Casino Licensee

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

In these notes, the words “CIENJ,” “Company,” “we,” “our,” and “us” refer to Caesars Interactive Entertainment New Jersey, LLC, unless otherwise stated or the context requires otherwise. In addition, “Caesars Entertainment,” “CEI,” and “Caesars” refer to Caesars Entertainment Inc., and its consolidated subsidiaries.

Note 1 — Organization and Basis of Presentation

Organization and Description of Business

The Company was formed on March 22, 2013 as a New Jersey limited liability company. CIENJ is a wholly-owned subsidiary of William Hill US Holdco, Inc (“William Hill” or the “Member”).

The Company is licensed by the New Jersey Division of Gaming Enforcement (“DGE”) to operate interactive real money online gaming in New Jersey and is subject to the rules and regulations established by the DGE.

CIENJ was primarily organized to operate real money online gaming within the State of New Jersey. As of December 31, 2023, the Company offered real money online wagering to patrons in the State of New Jersey through CaesarsCasino.com, HarrahsCasino.com, TropicanaCasino.com, and WSOP.com (the “Owned Platforms”). On March 28, 2023 CaesarsCasino.com was rebranded as TropicanaCasino.com. The Company has also entered into several third party agreements which provide use of the Company’s gaming license and certain services (refer to Note 9 for the Company’s revenue recognition accounting policy).

Basis of Presentation and Use of Estimates

The Company’s financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes thereto. Management believes the accounting estimates are appropriate and reasonably determined. Due to the inherent uncertainties in making these estimates, actual amounts could differ.

Subsequent Events

The Company completed its subsequent events review through March 29, 2024, the date on which the financial statements were available to be issued, and noted no items requiring disclosure.

Note 2 — Summary of Significant Accounting Policies

Additional significant accounting policy disclosures are provided within the applicable notes to the financial statements.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with maturities of less than three months from the date of purchase and are stated at the lower of cost or market value.

Restricted cash includes certain cash deposits that are designated by management for specific purposes, including those required by certain of our contracts. The classification of restricted cash between current and non-current is dependent upon the intended use of each particular reserve, or the length of the contract requiring the restriction.

Advertising and Promotions

CIENJ expenses advertising production costs the first time the advertising takes place.

Fair Value

The fair value of cash and cash equivalents, other current assets, payables, and other current liabilities approximates carrying value due to the short-term nature of these financial instruments.

Gaming Taxes

The Company remits a tax equal to 15% of internet gross gaming revenue, as defined, to the State of New Jersey on a monthly basis. The Company’s gaming tax expense was \$11,686 thousand and \$17,990 thousand for the years ended December 31, 2023 and 2022, respectively. Gaming taxes are included in Casino expense in the accompanying Statements of Income.

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Income Taxes

The Company is a disregarded entity for federal and state income tax purposes. The accompanying financial statements do not include a provision for income taxes since any income or loss allocated to the Member is reportable for income tax purposes by the Member. The Company's income tax return and the amount of allocable income are subject to examination by federal and state taxing authorities. If an examination results in a change to the Company's income, the Member's tax may also change.

Casino Reinvestment Development Authority ("CRDA") Investment Obligations

The New Jersey Casino Control Act provides, among other things, for an investment equal to 2.5% of gross internet gaming revenues in lieu of an investment alternative tax ("IAT") equal to 5% of gross internet gaming revenues.

The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions, or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. The Company has elected to make the 2.5% investment with the CRDA as described above. The funds on deposit are held in an interest-bearing account by the CRDA. The Company records impairment charges to operations to reflect the estimated net realizable value of its CRDA investment.

Pursuant to a provision contained within legislation enacted to address Atlantic City's fiscal matters (the "PILOT Legislation"), any CRDA funds not utilized or pledged for direct investments, the purchases of CRDA bonds or otherwise contractually obligated, as well as all funds received from the payment of the IAT going forward are allocated to the City of Atlantic City. The PILOT Legislation directs that these funds be used for the purposes of paying debt service on bonds issued by the City of Atlantic City prior to and after the date of the PILOT Legislation. These provisions expire as of December 31, 2026.

Note 3 — Recently Issued Accounting Pronouncements

There were no new accounting pronouncements issued, or implemented in 2023 that would be applicable to the Company's financial statements.

Note 4 — Related Party Transactions

Allocated Expenses

Boardwalk Regency Corporation; d/b/a Caesars Atlantic City Hotel and Casino ("Caesars AC"), a subsidiary of CEOC LLC, and Harrah's Atlantic City ("Harrahs AC"), a subsidiary of Caesars Resort Collection, LLC ("CRC"), affiliates of CIENJ, allocate certain labor expenses to CIENJ. The Company recorded allocated labor expenses totaling \$59 thousand and \$206 thousand for the years ended December 31, 2023 and 2022, respectively. These expenses are included in Charges from affiliates other than interest in the Statements of Income.

Datacenter License Agreement

In 2013, CIENJ entered into a datacenter license agreement with Caesars AC to lease a portion of Caesars AC's property for the purpose of housing CIENJ's interactive gaming datacenter (the "Datacenter Agreement"). The company recorded expenses related to the Datacenter Agreement totaling \$235 thousand for both of the years ended December 31, 2023 and 2022. These expenses are included in Charges from affiliates other than interest in the Statements of Income.

Distributions to Member

William Hill pays certain costs on behalf of CIENJ, which are settled in the normal course of business. There is no formal agreement between William Hill and CIENJ and no interest is imputed due to the related party nature of the arrangement. Excess cash is swept from CIENJ to William Hill in settlement of the costs paid by William Hill on behalf of CIENJ. Cash distributions that exceed the costs paid by William Hill are considered to be distributions to our Member.

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 5 — Other Current Assets

Other current assets consisted of the following:

<i>(In thousands)</i>	As of December 31,	
	2023	2022
Restricted cash	\$ 18	\$ 4,819
Prepaid licenses	606	856
Prepaid advertising and other	33	218
Total other current assets	<u>\$ 657</u>	<u>\$ 5,893</u>

Note 6 — Property and Equipment, net

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

Furniture, fixtures and equipment	3 to 15 years
Leasehold improvements	3 to 40 years

The Company evaluates its property and equipment and other long-lived assets for impairment whenever indicators of impairment exist. The Company compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment charge may be recorded for any difference between fair value and the carrying value. All recognized impairment losses are recorded as operating expenses.

Property and Equipment, Net

<i>(In thousands)</i>	As of December 31,	
	2023	2022
Leasehold improvements	\$ 14	\$ 14
Furniture, fixtures and equipment	118	118
Property and equipment, gross	132	132
Less: accumulated depreciation	(107)	(79)
Property and equipment, net	<u>\$ 25</u>	<u>\$ 53</u>

CIENJ recorded depreciation expense totaling \$28 thousand and \$31 thousand for the years ended December 31, 2023 and 2022, respectively. Depreciation expense for Property and equipment is reflected in Depreciation and amortization in the Statements of Income.

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 7 — Other Accrued Expenses and Other Current Liabilities

Other accrued expenses consisted of the following:

<i>(In thousands)</i>	As of December 31,	
	2023	2022
Progressive slot liability	\$ 1,583	\$ 2,669
Bet credits	1,533	1,396
Gaming taxes	992	1,461
Participation fees	959	1,632
CRDA expense	456	688
Marketing	8	9
Other accruals	1,835	3,040
Total other accrued expenses	\$ 7,366	\$ 10,895

Other current liabilities consisted of the following:

<i>(In thousands)</i>	As of December 31,	
	2023	2022
Internet patron liability	\$ 8,989	\$ 11,268
Payment processing liabilities	1,932	2,395
Third party patron liability ^(a)	—	3,544
Internet partner liability	125	594
Operating lease liability	—	171
Other contract liabilities	2,634	3,501
Total other current liabilities	\$ 13,680	\$ 21,473

(a) Related to third party online casino operators as described below in Note 9 — Revenue Recognition.

Note 8 — Litigation, Contractual Commitments, and Contingent Liabilities

The Company is party to other ordinary and routine litigation incidental to our business. We do not expect the outcome of any such litigation to have a material effect on our financial position, results of operations, or cash flows, as we do not believe it is reasonably possible that we will incur material losses as a result of such litigation.

Note 9 — Revenue Recognition

Accounting Policies

We analyze our revenues based upon the type of services we provide. We recognize revenue for services when the services are performed and when we have no substantive performance obligation remaining. Sales and other taxes collected from customers on behalf of governmental authorities are accounted for on a net basis and are not included in net revenues or costs and expenses.

Casino Revenue

Online real money gaming revenues are measured by the aggregate net difference between gaming wins and losses and are recorded as Casino revenue in the accompanying Statements of Income, with liabilities recognized for funds deposited by customers before gaming play occurs. Cash discounts and other cash incentives are recorded as a reduction to Casino revenue.

The Company has entered into online platform and service agreements with third-party service providers to develop and maintain the Company's owned online gaming platforms or for use of a third party's online gaming platform and other interactive gaming services. Under these agreements, CIENJ pays third party service provider a fixed percentage of its Net Casino Revenues, as defined in each respective agreement ("Net Casino Revenues"). The Company is the primary obligor in

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

these arrangements, and as such, CIENJ recognizes revenue on a gross basis with a corresponding expense for the third-party service provider's share of Net Casino Revenues.

The Company recognized revenue share expense associated with its platform and service agreements of \$9,322 thousand and \$12,579 thousand for the years ended December 31, 2023 and 2022, respectively. This expense is included in Casino expense in the accompanying Statements of Income.

Third Party Skin Agreements

The Company has entered into several internet gaming and sports wagering sublicense ("Skin") agreements with various online casino operators ("Skin Operator(s)") by which the Company provides the Skin Operator with access to an available internet gaming and/or sports wagering license in the state of New Jersey, as well as certain administrative interactive gaming services as defined in each respective agreement. In exchange, the Skin agreements provide that the Company receives a minimum upfront fee for the term of the agreement, a minimum annual guarantee for each year of the agreement, and revenue share as per the terms defined in each respective agreement.

Skin Operator	Skin	Date of Commencement	
		Internet Gaming	Internet Sports Wagering
VHL New Jersey, LLC, f/k/a AAPN New Jersey, LLC	888/888 Sports	November 26, 2013	June 1, 2018
WSI US, LLC ^(g)	Wynn Slots/ Wynn Bet	August 4, 2020	August 4, 2020
PlayUp Interactive, Inc. ^(f)	PlayUp	February 25, 2022	N/A
Stake Trade, Inc.	Prophet	N/A	August 29, 2022
Fubo Gaming, Inc. ^(a)	Fubo	N/A	September 7, 2022
Mojo Interactive, Inc. ^(h)	Mojo	N/A	September 19, 2022
Virgin Group, Ltd. ^(b)	Virgin	January 24, 2014	N/A
LeoVegas NJ, LLC ^(c)	N/A	N/A	N/A
Skill On Net, Inc. ^(d)	SkillOnNet	N/A	N/A
Jackpocket Interactive Gaming, LLC	Jackpocket	October 2, 2023	N/A
SBOPCO, LLC ^(e)	Superbook	N/A	N/A

^(a) Skin agreement terminated in November 2022.

^(b) Skin agreement terminated in April 2022.

^(c) Skin agreement terminated in October 2022 prior to LeoVegas NJ, LLC launching operations.

^(d) As of December 31, 2023, Skill On Net, Inc. had not launched operations and expects to launch in Q3 2024.

^(e) As of December 31, 2023, SBOPCO, LLC had not launched operations.

^(f) Skin agreement terminated March 24, 2023.

^(g) Skin agreement terminated August 11, 2023.

^(h) Skin agreement terminated December 28, 2023.

The Company recognized revenue associated with Skin agreements totaling \$10,634 thousand and \$8,833 thousand for the years ended December 31, 2023 and 2022, respectively. This revenue is included in Other revenue in the accompanying Statements of Income. Additionally, reimbursable expenses incurred on behalf of third parties in connection with these agreements are recorded on a gross basis and associated revenues are included in Other revenue in the accompanying Statements of Income.

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table summarizes the activity related to contract and contract-related liabilities associated with our Skin agreements:

<i>(In thousands)</i>	Advanced Fees ^(a)	Other Deferred Revenue ^(b)	Total
Balance as of January 1, 2022 ^(c)	\$ 2,735	\$ 71	\$ 2,806
Amount recognized during the period	(4,123)	(223)	(4,346)
Amount accrued during the period	8,031	286	8,317
Balance as of December 31, 2022 ^(c)	<u>6,643</u>	<u>134</u>	<u>6,777</u>
Balance as of January 1, 2023	\$ 6,643	\$ 134	\$ 6,777
Amount recognized during the period	(9,300)	(190)	(9,490)
Amount accrued during the period	9,655	288	9,943
Balance as of December 31, 2023	<u>\$ 6,998</u>	<u>\$ 232</u>	<u>\$ 7,230</u>

(a) Includes upfront fee and annual minimum guarantee payments recorded to Other current liabilities and Other liabilities on the accompanying Balance Sheets and is amortized on a straight-line basis.

(b) Includes third party reimbursable expense revenue recorded to Other current liabilities and Other liabilities on the accompanying Balance Sheets and is amortized on a straight-line basis.

(c) Prior year Other Deferred Revenue included \$2 million related to an upfront fee for a Skin agreement, updated classification to Advanced Fees for current year presentation.

Caesars Rewards Loyalty Program

Through a cross-marketing agreement with CEOC, LLC, a majority-owned subsidiary of CEI and an affiliate of CIENJ, patrons of TropicanaCasino.com and HarrahsCasino.com have access to CEI's customer loyalty program, Caesars Rewards. Caesars Rewards grants Reward Credits to Caesars Rewards Members based on on-property spending, including gaming, hotel, dining, and retail shopping at all Caesars-affiliated properties. Members may redeem Reward Credits for complimentary or discounted goods and services such as rooms, food and beverages, merchandise, entertainment, and travel accommodations. Members are able to accumulate Reward Credits over time that they may redeem at their discretion under the terms of the program. Additionally, patrons of TropicanaCasino.com and HarrahsCasino.com have the opportunity to redeem their online reward credits for cash that is deposited directly into the patron's online wagering account. A member's Reward Credit balance is forfeited if the member does not earn at least one Reward Credit during a continuous six-month period. Reward Credits earned by customers are recorded as a reduction to Casino revenue in the accompanying Statements of Income.

Patrons of the WSOP.com platform have access to the Company's Poker Rewards loyalty program. Under this program, patrons have the opportunity to redeem their points for cash once a certain tier status is achieved in accordance with the terms of the program. Patrons of the Poker Rewards loyalty program also have the ability to earn status in the Caesars Rewards program through the Company's tier matching program. As points earned under this program can be redeemed for cash, the Company accrues 100% of the cash converted point balance as such credits are earned as a reduction to Casino revenue in the accompanying Statements of Income. The Company recorded \$20 thousand and \$32 thousand for the years ended December 31, 2023 and 2022, respectively, as a reduction to Casino revenue in association with the Company's loyalty programs.

Because of the significance of the Caesars Rewards program and the ability for customers to accumulate Reward Credits based on their past play, we have determined that Reward Credits granted in conjunction with other earning activity represent a performance obligation. As a result, for transactions in which Reward Credits are earned, we allocate a portion of the transaction price to the Reward Credits that are earned based upon the relative standalone selling prices ("SSP") of the goods and services involved.

We have determined the SSP of a Reward Credit by computing the redemption value of credits expected to be redeemed. Because Reward Credits are not otherwise independently sold, we analyzed all Reward Credit redemption activity over the preceding calendar year and determined the redemption value based on the fair market value of the goods and services for which the Reward Credits were redeemed.

As part of determining the SSP for Reward Credits, we also determined that there is generally an amount of Reward Credits that is not redeemed, which is considered "breakage." We recognize the expected breakage proportionally with the pattern of

CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

revenue recognized related to the redemption of Reward Credits. We periodically reassess our customer behaviors and revise our expectations as deemed necessary on a prospective basis.

Receivables

Receivables primarily consist of amounts collectible from third party credit card processors, fees related to Skin agreements, and reimbursable expenses from internet service partners. Credit card processing receivables typically have a high turnover rate and are generally not subject to increased credit risk. Receivables are typically non-interest bearing and are initially recorded at cost. Management reserves for receivables at estimate of expected loss to be incurred. For the years ended December 31, 2023 and 2022, the Company recorded \$49 thousand and \$72 thousand, respectively, of allowance for doubtful accounts.

<i>(In thousands)</i>	As of December 31,	
	2023	2022
Reimbursable expenses and other	\$ 2,723	\$ 4,558
Credit card receivables, net	771	766
Contract receivables	3,494	5,324
Real estate leases	25	—
Receivables, net	<u>\$ 3,519</u>	<u>\$ 5,324</u>

Note 10 — Leases

Lessee Arrangements

As discussed in Note 4, The Company leases space from Caesars AC for its interactive gaming datacenter. In September 2023, our lease with Caesars AC expired and was not extended. The Company continues to lease space from Caesars AC on a month to month basis. We do not include costs associated with our non-lease components in our lease costs for real-estate leases disclosed in the table below. There are no variable payments associated with our operating leases.

The following are additional details related to leases recorded on our Balance Sheet as of December 31, 2023 and 2022:

<i>(In thousands)</i>	Balance Sheet Classification	December 31, 2023	December 31, 2022
Assets			
Operating lease ROU assets ⁽¹⁾	Other assets	\$ —	\$ 171
Liabilities			
Current operating lease liabilities ⁽¹⁾	Other current liabilities	—	171

⁽¹⁾ As noted above, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or liabilities for operating leases with terms of 12 months or less.

Components of Lease Expense

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Operating lease expense	\$ 235	\$ 235

Cash payments included in the measurement of lease liabilities

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Operating cash flows for operating leases	\$ 235	\$ 235

Lease Terms and Discount Rate

	December 31, 2023	December 31, 2022
Weighted-average remaining lease term (in years)	0	0.75
Weighted-average discount rate	— %	7.9 %

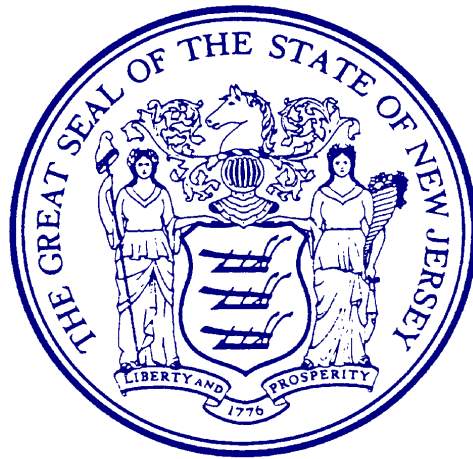
CAESARS INTERACTIVE ENTERTAINMENT NEW JERSEY, LLC
NOTES TO FINANCIAL STATEMENTS (Continued)
(Unaudited)

Lessor Arrangements

The Company is the lessor under several sublease agreements pertaining to its leased interactive gaming datacenter space. These leases are short-term in nature. The rental revenue in relation to these sublease agreements is included in Other revenue within the accompanying Statements of Income. The Company recognized revenue associated with the sublease agreements of \$78 thousand and \$76 thousand for the years ended December 31, 2023 and 2022, respectively. There were no future minimum rental payments contractually owed to the Company under sublease agreements as of December 31, 2023.

CIE NEW JERSEY, LLC
ANNUAL FILINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY



OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

CIE NEW JERSEY, LLC

ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2023

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	Description (b)	Account Balance (c)	Allowance (d)	Accounts Receivable (Net of Allowance) (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$0		
2	Returned Patrons' Checks.....			
3	Total Patrons' Checks.....	-		\$0
4	Hotel Receivables.....			0
	Other Receivables:			
5	Receivables Due from Officers and Employees.....	-		
6	Receivables Due from Affiliates.....	-		
7	Other Accounts and Notes Receivables.....	-		
8	Total Other Receivables.....	-		0
9	Totals (Form DGE-205).....	\$0	\$0	\$0

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1).....	
11	Counter Checks Issued.....	
12	Checks Redeemed Prior to Deposit.....	
13	Checks Collected Through Deposits.....	
14	Checks Transferred to Returned Checks.....	
15	Other Adjustments.....	
16	Ending Balance.....	\$0
17	"Hold" Checks Included in Balance on Line 16.....	
18	Provision for Uncollectible Patrons' Checks.....	
19	Provision as a Percent of Counter Checks Issued.....	0.0%

CIE NEW JERSEY, LLC

ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 20__
(\$ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games				
2	Slot Machines				
3	Administration				
4	Casino Accounting				
5	Simulcasting				
6	Other				
7	Total - Casino	0			\$0
8	ROOMS				0
9	FOOD AND BEVERAGE				0
10	GUEST ENTERTAINMENT				0
11	MARKETING				0
12	OPERATION AND MAINTENANCE				0
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office				0
14	Accounting and Auditing				0
15	Security				0
16	Other Administrative and General				0
	OTHER OPERATED DEPARTMENTS:				
17					0
18					0
19					0
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	0	\$0	\$0	\$0