

**PREMIER ENTERTAINMENT AC, LLC
d/b/a BALLY'S ATLANTIC CITY
QUARTERLY REPORT**

FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

PREMIER ENTERTAINMENT AC, LLC

BALANCE SHEETS

AS OF SEPTEMBER 30, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$15,001	\$16,424
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2025, \$3,476; 2024, \$4,589).....	2, 5	11,187	8,201
4	Inventories	2	3,478	2,211
5	Other Current Assets.....	6	2,430	1,904
6	Total Current Assets.....		32,096	28,740
7	Investments, Advances, and Receivables.....	4	111,733	0
8	Property and Equipment - Gross.....	2,7	79,726	155,866
9	Less: Accumulated Depreciation and Amortization.....	2,7	(2,050)	(28,348)
10	Property and Equipment - Net.....	2,7	77,676	127,518
11	Other Assets.....	8	38,105	35,587
12	Total Assets.....		\$259,610	\$191,845
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$4,213	\$5,484
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.....	9	16,280	16,613
19	Other Current Liabilities.....	10	303,591	168,216
20	Total Current Liabilities.....		324,084	190,313
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		0	0
23	Deferred Credits		20,862	20,743
24	Other Liabilities.....		2,433	2,883
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		347,379	213,939
27	Stockholders', Partners', or Proprietor's Equity.....		(87,769)	(22,094)
28	Total Liabilities and Equity.....		\$259,610	\$191,845

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

PREMIER ENTERTAINMENT AC, LLC

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	Revenue:			
1	Casino.....		\$92,439	\$96,715
2	Rooms.....		26,754	32,937
3	Food and Beverage.....		15,199	18,972
4	Other.....		7,306	7,929
5	Net Revenue.....	2	141,698	156,553
	Costs and Expenses:			
6	Casino.....		60,137	76,321
7	Rooms, Food and Beverage.....		25,675	29,832
8	General, Administrative and Other.....		50,879	43,603
9	Total Costs and Expenses.....	2	136,691	149,756
10	Gross Operating Profit.....		5,007	6,797
11	Depreciation and Amortization.....	2,7	3,089	7,399
	Charges from Affiliates Other than Interest:			
12	Management Fees.....			0
13	Other.....	3	8,235	13,383
14	Income (Loss) from Operations.....		(6,317)	(13,985)
	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	37
19	Total Other Income (Expenses).....		0	37
20	Income (Loss) Before Taxes		(6,317)	(13,948)
21	Provision (Credit) for Income Taxes.....	2	(1,348)	(2,929)
22	Net Income (Loss).....		(\$4,969)	(\$11,019)

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

PREMIER ENTERTAINMENT AC, LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	Revenue:			
1	Casino.....		\$31,390	\$33,858
2	Rooms.....		10,827	13,336
3	Food and Beverage.....		6,226	7,770
4	Other.....		2,593	3,319
5	Net Revenue.....	2	51,036	58,283
	Costs and Expenses:			
6	Casino.....		17,958	25,369
7	Rooms, Food and Beverage.....		10,131	12,043
8	General, Administrative and Other.....		17,044	14,338
9	Total Costs and Expenses.....	2	45,133	51,750
10	Gross Operating Profit.....		5,903	6,533
11	Depreciation and Amortization.....	2, 7	1,077	2,375
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....	3	3,164	5,554
14	Income (Loss) from Operations.....		1,662	(1,396)
	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	12
19	Total Other Income (Expenses).....		0	12
20	Income (Loss) Before Taxes		1,662	(1,384)
21	Provision (Credit) for Income Taxes.....	2	505	(291)
22	Net Income (Loss).....		\$1,157	(\$1,093)

The accompanying notes are an integral part of the financial statements.
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PREMIER ENTERTAINMENT AC, LLC

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024 AND NINE MONTHS ENDED SEPTEMBER 30, 2025

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)		Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2023.....		0	\$0	0	\$0	\$32,022		(\$43,097)	(\$11,075)
2	Net Income (Loss) - 2024.....								(18,850)	(18,850)
3	Contribution to Paid-in-Capital....									0
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6	.....									0
7	.....									0
8	.....									0
9	.....									0
10	Balance, December 31, 2024.....		0	0	0	0	32,022	0	(61,947)	(29,925)
11	Net Income (Loss) - 2025								(4,969)	(4,969)
12	Contribution to Paid-in-Capital....	2					(52,875)			(52,875)
13	Dividends.....									0
14	Prior Period Adjustments.....									0
15	.....									0
16	.....									0
17	.....									0
18	.....									0
19	Balance, September 30, 2025.....		0	\$0	0	\$0	(\$20,853)	\$0	(\$66,916)	(\$87,769)

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

PREMIER ENTERTAINMENT AC, LLC

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$6,464)	(\$3,369)
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment.....		(5,510)	(13,116)
5	Proceeds from Disposition of Property and Equipment.....		20	23
6	CRDA Obligations			
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(5,490)	(13,093)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt.....			
17	Payments to Settle Long-Term Debt.....			
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21	Intercompany Loan	3, 10	11,773	20,158
22				
23	Net Cash Provided (Used) By Financing Activities.....		11,773	20,158
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(181)	3,696
25	Cash and Cash Equivalents at Beginning of Period.....		15,182	12,728
26	Cash and Cash Equivalents at End of Period.....		\$15,001	\$16,424
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....			
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.

PREMIER ENTERTAINMENT AC, LLC

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$4,969)	(\$11,019)
30	Depreciation and Amortization of Property and Equipment...	7	2,992	7,316
31	Amortization of Other Assets.....	8	97	83
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current		2,764	(2,929)
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		(15)	(19)
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		(1,649)	1,011
39	(Increase) Decrease in Inventories		(1,761)	37
40	(Increase) Decrease in Other Current Assets.....		(828)	(346)
41	(Increase) Decrease in Other Assets.....	8	(4,371)	516
42	Increase (Decrease) in Accounts Payable.....		1,298	838
43	Increase (Decrease) in Other Current Liabilities	10	316	1,491
44	Increase (Decrease) in Other Liabilities		(338)	(348)
45	.....			
46	.....			
47	Net Cash Provided (Used) By Operating Activities.....		(\$6,464)	(\$3,369)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$5,510)	(\$13,116)
49	Less: Capital Lease Obligations Incurred.....		0	
50	Cash Outflows for Property and Equipment.....		(\$5,510)	(\$13,116)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
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.....			
59	Consideration in Acquisition of Business Entities.....			
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.

PREMIER ENTERTAINMENT AC, LLC

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(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	114,572	\$15,891		
2	Food	128,562	4,648		
3	Beverage	511,811	4,094		
4	Travel	0		445	122
5	Bus Program Cash	0			
6	Promotional Gaming Credits	707,070	18,425		
7	Complimentary Cash Gifts	108	738		
8	Entertainment	0	0	50	14
9	Retail & Non-Cash Gifts	20,537	411	0	0
10	Parking	0	0	114,216	343
11	Other	81,140	1,571	215	38
12	Total	1,563,800	\$45,778	114,926	\$517

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	43,589	\$5,953		
2	Food	51,212	1,804		
3	Beverage	186,947	1,495		
4	Travel	0	0	170	46
5	Bus Program Cash	0	0		
6	Promotional Gaming Credits	281,545	7,601		
7	Complimentary Cash Gifts	46	355		
8	Entertainment	0	0	50	14
9	Retail & Non-Cash Gifts	7,765	156	0	0
10	Parking	0	0	43,162	130
11	Other	13,730	336	174	31
12	Total	584,834	\$17,700	43,556	\$221

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

**PREMIER ENTERTAINMENT AC, LLC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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.

11/14/2025

Date



Alan Greenstein

VP and General Manager

Title

9284-11

License Number

On Behalf of:

PREMIER ENTERTAINMENT
AC, LLC

Casino Licensee

PREMIER ENTERTAINMENT AC, LLC (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 – ORGANIZATION

The accompanying financial statements include the accounts of Premier Entertainment AC, LLC (the "Company") which operates Bally's Atlantic City ("the Property"), a casino hotel in Atlantic City, New Jersey. Bally's Management Group, LLC ("BMG"), formerly known as Twin River Management Group, Inc. ("TRMG") is a wholly owned subsidiary of Bally's Corporation ("Bally's"), and is the parent company of Premier Entertainment AC, LLC. The Company was granted an interim casino license by the NJ Casino Control Commission on November 4, 2020, and plenary license approval was received on August 17, 2021.

On November 18, 2020 (the "Acquisition Date"), Bally's completed its acquisition of Bally's Atlantic City from Caesars Entertainment, Inc. ("Caesars") and Vici Properties, Inc. ("Vici"). Bally's acquired certain assets of Bally's Atlantic City and the property on which it operates, along with the licenses to build and operate a retail sports book and launch online sports and internet gaming.

On October 1, 2021, Bally's acquired Gamesys Group Plc. ("Gamesys"), a leading UK-based global online gaming operator. See Note 4 – Sports Wagering and Internet Gaming for additional information.

On February 7, 2025 (the "Closing Date"), Bally's Corporation completed a merger pursuant to which The Casino Queen & Entertainment Inc. ("Casino Queen") and SG Parent LLC, which was majority-owned by funds managed by Standard General L.P. ("SG Parent"), Bally's Corporation's largest common stockholder, merged with Bally's Corporation (the "Merger"). The Bally's Corporation Merger with Casino Queen was accounted for as a transaction between entities under common control. The Merger resulted in a change in control of Bally's Corporation due to SG Parent gaining control of Bally's Corporation in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"). Bally's Corporation elected to push down SG Parent's basis in its net assets into its financial statements.

To better align the accounting and presentation with our public company parent, the Company has also determined that it will elect to apply pushdown accounting in these standalone financial statements. As a result of the application of pushdown accounting, these financial statements reflect the Company's basis in the assets and liabilities of Bally's Corporation, which were remeasured to fair value as of the Closing Date.

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting periods. Management believes the accounting estimates are appropriate and reasonably stated; however, due to the inherent uncertainties in making these

PREMIER ENTERTAINMENT AC, LLC (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

estimates, actual amounts could differ.

The Merger & Pushdown Accounting

As described in Note 1 "Organization", Bally's elected to apply pushdown accounting at the time of the Merger, which resulted in the assets and liabilities of the Company being measured and recognized at their fair values as of the Closing Date.

The purchase consideration in the Merger has been allocated to the Company's tangible and identifiable intangible assets and liabilities based upon their estimated fair values as of the Closing Date, with the excess of the purchase consideration over the aggregate net fair values recorded as goodwill, which is not deductible for tax purposes. Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets apart from goodwill, which consist primarily of a management team experienced in the gaming industry.

Accounts receivable, inventory, other assets, and current liabilities were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for property and equipment was based on an assessment of the assets' condition, as well as an evaluation of the current market value of such assets. The application of push down accounting resulted in a decrease to property and equipment of \$53M, reflected through contributions from parent.

The estimated fair values were based on assumptions that the Company believes are reasonable. As of September 30, 2025 (Successor), Bally's Corporation is in the process of completing its valuation of tangible and intangible assets and the allocation of the purchase price to the assets acquired and liabilities assumed, including the goodwill allocation to reporting units, which will be completed once the valuation process has been finalized.

Cash, Cash Equivalents and Restricted Cash

The Company considers cash and cash equivalents to be all cash accounts and short-term investments purchased with original maturities of three months or less and includes bank deposits in transit related to credit and debit card transactions. Restricted cash of \$2,488 on September 30, 2025 and \$1,422 on September 30, 2024 represents iGaming player deposits for ballycasino.com and monopolycasino.com. Pursuant to New Jersey Administrative Code 13:69O-1.3(j), the Company maintains a separate bank account to ensure security of funds held in patrons' internet gaming accounts.

Receivables, net

Receivables consist primarily of casino, hotel and other receivables, net of allowance for doubtful accounts. Receivables are typically non-interest bearing and are initially recorded at cost. An allowance for doubtful accounts is maintained to reduce the Company's receivables to their carrying value, which approximates fair value. The allowance is estimated based on historical collection experience, current economic and business conditions forecasts that affect the collectability, review of individual customer accounts, and any other known information. Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received.

PREMIER ENTERTAINMENT AC, LLC (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Inventories

Inventories, which consist primarily of food, beverage, promotional items and operating supplies, are stated at the lower of average cost or market value.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment losses, if applicable. Expenditures for renewals and betterments that extend the life or value of an asset are capitalized and expenditures for repairs and maintenance are charged to expense as incurred. The costs and related accumulated depreciation applicable to assets sold or disposed of are removed from the balance sheet accounts and the resulting gains or losses are reflected in the statements of operations.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets or the related lease term, if any, as follows:

	<u>Years</u>
Land improvements	10-20
Building and improvements	2-50
Equipment	2-10
Furniture and fixtures	2-10

Revenue Recognition

The Company accounts for revenue earned from contracts with customers under ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASC 606"). The Company's generates revenue from gaming services, hotel room sales, food and beverage, and other transactions.

Gaming services contracts have two performance obligations for those customers earning incentives under the Company's player loyalty programs and a single performance obligation for customers who do not participate in the programs. The Company applies a practical expedient by accounting for its gaming contracts on a portfolio basis as such wagers have similar characteristics and the Company reasonably expects the effects on the consolidated financial statements of applying the revenue recognition guidance to the portfolio to not differ materially from that which would result if applying the guidance to an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with incentives earned under loyalty programs, the Company allocates an amount to the loyalty program contract liability based on the stand-alone selling price of the incentive earned for a hotel room stay, food and beverage or other amenity. The estimated standalone selling price of hotel rooms is determined based on observable prices. The standalone selling price of food and beverage, and other miscellaneous goods and services is determined based upon the actual retail prices charged to customers for those items. The performance obligations for the incentives earned under the loyalty programs are deferred and recognized as revenue when the customer redeems the incentive. The allocated revenue for gaming wagers is recognized when the wagers occur as all such wagers settle immediately.

PREMIER ENTERTAINMENT AC, LLC (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Hotel revenue is recognized at the time of occupancy, which is when the customer obtains control through occupancy of the room. Advance deposits for hotel rooms are recorded as liabilities until revenue recognition criteria are met.

Food and beverage revenue are recognized at the time the goods are sold from Company-operated outlets.

All other revenues are recognized at the time the goods are sold or the service is provided.

Leases

The Company determines if a contract is or contains a lease at the contract inception date or the date on which a modification of an existing contract occurs. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (i) the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and (ii) the right to direct the use of the identified asset.

Upon adoption of Accounting Standard Codification ("ASC") 842, *Leases*, ("ASC 842") the Company elected to account for lease and non-lease components as a single component for all classes of underlying assets. Additionally, the Company elected to not recognize short-term leases (defined as leases that are less than 12 months and do not contain purchase options) within the balance sheets.

The Company recognizes a lease liability for the present value of lease payments at the lease commencement date using its incremental borrowing rate commensurate with the lease term based on information available at the commencement date, unless the rate implicit in the lease is readily determinable.

Certain of the Company's leases may include renewal options and escalation clauses; renewal options are included in the calculation of the lease liabilities and right of use assets when the Company determines it is reasonably certain to exercise the options. Variable expenses generally represent the Company's share of the landlord's operating expenses and consumer price index ("CPI") increases. The Company does not have any leases which met the criteria for recognition on the balance sheet or any leases classified as financing leases. Rent expense associated with the Company's long and short-term leases and their associated variable expenses are reported in total costs and expenses within the statements of income.

PREMIER ENTERTAINMENT AC, LLC (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Intangible Assets

For its finite-lived intangible assets, consisting of customer relationships and hotel and conference pre-bookings, the Company establishes a useful life upon initial recognition based on the period over which the asset is expected to contribute to the future cash flows of the Company and periodically evaluates the remaining useful lives to determine whether events and circumstances warrant a revision to the remaining amortization period. Finite-lived intangible assets are amortized over their remaining useful lives in a pattern in which the economic benefits of the intangible asset are consumed, which is generally on a straight-line basis. Refer to Note 8 "Other Assets" for further information.

Long-lived Assets

The Company reviews its long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is still under development, the analysis includes the remaining construction costs. Cash flows expected to be generated by the related assets are estimated over the assets' useful lives based on updated projections. If the evaluation indicates that the carrying amount of an asset may not be recoverable, the potential impairment is measured based on a fair value discounted cash flow model.

Self-Insurance Reserves

The Company is self-insured for employee medical insurance coverage, general liability and workers' compensation up to certain stop loss amounts. Self-insurance liabilities are estimated based on the Company's claims experience using actuarial methods to estimate the future cost of claims and related expenses that have been reported but not settled, and that have been incurred but not yet reported. As of December 31, 2023, all self-insurance liabilities reside on corporate's books.

Player Loyalty Program

The Company offers a loyalty program whereby participating customers can accumulate points for wagering that can be redeemed for credits for free play on slot machines, as well as discounted goods and services such as rooms, food and beverages and retail merchandise. Points earned, less estimated breakage, are recorded as a reduction of casino revenues at the standalone selling price of the points when earned based upon the retail value of the benefits, historical redemption rates and estimated breakage and recognized as departmental revenue based on where such points are redeemed upon fulfillment of the performance obligation. The loyalty program liability represents a deferral of revenue until redemption occurs, which is typically less than one year.

Complimentaries

As part of our normal business operation, the Company offers discretionary complimentaries to customers outside of the player loyalty program. The retail value of complimentary hotel rooms, food and beverage and other services provided to customers is recognized as a reduction to the revenues for the department which issued the complimentary and a credit to the revenue for the

PREMIER ENTERTAINMENT AC, LLC (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

department redeemed. Complimentaries provided by third parties at the discretion and under the control of the Company are recorded as an expense when incurred.

Gaming Tax

The Company remits weekly to the NJ Division of Taxation a tax equal to eight percent of land based gross gaming revenue, as defined. In addition, the Company remits monthly to the NJ Division of Taxation a tax equal to eight and a half percent of retail sports book gross gaming revenue and 19.75% of internet gaming and online sports wagering gross gaming revenue, as defined. Gaming taxes expensed to the Company's financial statements and paid to the NJ Division of Taxation for the nine months ended September 30, 2025 and 2024, were \$17,066 and \$17,421, respectively. These expenses are included in casino expenses in the accompanying statements of income.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expenses are included in general, administrative and other expenses in the statements of income. For the nine months ended September 30, 2025 and 2024, Advertising expenses were \$652 and \$939 respectively.

Income Taxes

The Company files as part of a Federal consolidated tax return. The Company's income tax provision is prepared in accordance with ASC 740, *Income Taxes*. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is required when it is "more likely than not" that all or a portion of the deterred taxes will not be realized. The financial statements reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all the relevant facts.

Recently Issued Accounting Pronouncements

Standards Implemented

In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures. The amendments in this update enhance the disclosures required for significant segment expenses on an annual and interim basis. The guidance will apply retrospectively and is effective for annual reporting periods in fiscal years beginning after December 15, 2023, and interim reporting periods in fiscal years beginning after December 31, 2024. The Company adopted the ASU as of December 31, 2024.

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Standards to Be Implemented

In October 2023, the FASB issued ASU No. 2023-06, Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The amendments in this update align the requirements in the ASC to the Securities and Exchange Commission's ("SEC") regulations. The effective date for each amended topic in the ASC is the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and note become effective. Early adoption is prohibited. The Company is currently in the process of evaluating the impact of this amendment on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures. The amendments in this update enhance the transparency and decision usefulness of income tax disclosures. This update will be effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently in the process of evaluating the impact of this amendment on its consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-02, Codification Improvements - Amendments to Remove References to the Concepts Statements. This amendment to the Codification removes references to various Concepts Statements. This update will be effective for public business entities for fiscal years beginning after December 15, 2024, with early adoption permitted if adopted as of the beginning of the fiscal year that includes that interim period. The Company is currently in the process of evaluating the impact of this amendment on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this update require disclosure of certain costs and expenses on an interim and annual basis in the notes to the financial statements. This update will be effective for fiscal years beginning after December 15, 2026, and interim reporting periods in fiscal years beginning after December 15, 2027, with early adoption permitted. The disclosures required under the guidance can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all periods presented in the financial statements. The Company is currently evaluating the impact that this guidance will have on its financial statement disclosures.

NOTE 3 – RELATED PARTY TRANSACTIONS

Cash Activity with Affiliates

The Company participates in Bally's centralized cash management system. Accordingly, daily cash receipts are transferred to, and daily operations are funded with advances from, the Parent company and the Company reflect these amounts as a component of other current liabilities in the

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accompanying balance sheets.

Pooled Insurance

The Company participates in a comprehensive insurance program maintained by Bally's for workers' compensation, general liability and medical. Risk-based expense allocations are calculated by Bally's and totaled \$4,347 and \$3,036 for the nine months ended September 30, 2025 and 2024, respectively.

Administrative and Other

BMG, the corporate services division of Bally's Corporation, provides certain corporate and administrative services provided by corporate personnel. These services may include, but are not limited to, management support for operations, marketing, human resources, accounting and finance, insurance and other administrative services. The Company was charged \$8,235 and \$13,383 for these services for the nine months ended September 30, 2025 and 2024, respectively. This fee is included in other charges from affiliates in the accompanying statements of income.

Defined Contribution Plan

The company has a retirement savings plan under Section 401(k) of the Internal Revenue Code covering non-union employees and certain union employees. Under the plan, participating employees may defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pre-tax basis through contributions to the plan. The employer contribution expense for this plan was \$471 and \$511 for the nine months ended September 30, 2025 and 2024, respectively.

Multiemployer Defined Benefit Plans

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The contributions and charges for these plans were \$1,057 and \$1,113 for the nine months ended September 30, 2025 and 2024, respectively.

NOTE 4 – SPORTS WAGERING AND INTERNET GAMING

The Company holds an internet gaming permit, a sports wagering license, and operates a retail sports wagering lounge. In addition, we have entered into several contractual agreements with various online casino operators under which we provide the skin operator with access to the State of New Jersey market.

The table below provides a brief summary of the three internet gaming skins and three sports wagering skins in use as of September 30, 2025:

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Skin	Affiliate/Owner/Operator of Skin	Operation Commencement Date (1)	Internet Gaming or Sports Wagering	Premier Revenue Recognition
SportTrade	Sporttrade	9/8/2022	Sports Wagering	Contractual Payments
Fanatics	PointsBet	5/8/2024	Both	Contractual Payments
Bally Bet	Bally’s Casino	11/6/2024	Both	100% of Revenue
Monopoly	Bally’s Corporation	11/6/2024	Internet Gaming	None

Retail Sports Wagering Lounge

In September 2020, TRMG entered into a Retail Sportsbook Services Agreement (“Sportsbook Agreement”) with Betfair Interactive US LLC (“Betfair”). The Sportsbook Agreement grants Betfair a license to access and use a physical area for retail sports betting as well as locations throughout the property to host retail sportsbook betting kiosks. The terms of the Sportsbook Agreement allow for the retail sportsbook to be operated under the FanDuel brand of Betfair, but it shall also utilize the Bally’s brand. The temporary retail sportsbook and betting kiosks commenced operation on December 22, 2020. The permanent retail sportsbook commenced operations on March 12, 2021.

The Sportsbook Agreement with Betfair was terminated effective end of gaming day on August 15, 2023. On August 23, 2023, the retail sportsbook re-opened under the BallyBet brand and is solely operated by the Company. Net revenue for the BallyBet retail sportsbook represents accrual revenue less free play and is reflected in Casino Revenue in the accompanying income statements. The operating expenses include payroll, benefits, gaming tax, regulatory fees and other operating costs and are included in Casino Expense in the accompanying income statements.

Online Sports Wagering Skins

The Company and its third party providers operated three skins offering online sports wagering in 2025: SportTrade, Fanatics, and BallyBet.

Sporttrade:

TRMG and Sporttrade, Inc. (“Sporttrade”) entered into a market access agreement in August 2020 which allows Sporttrade to host, manage, operate and support an Online Sports Pool on behalf of TRMG. On September 13, 2022, Sporttrade commenced operation of its online sports pool platform. Under the terms of the agreement, Sporttrade operates the platform, maintains the required bank account and pays a monthly percentage of net gaming revenue to the Company. These revenues are reported in Other Revenue in the accompanying income statements. There were no expenses recorded by the Company in 2025 or 2024 for this skin.

PointsBet / Fanatics:

The Company entered into an Amended and Restated Online Gaming Agreement with PointsBet New Jersey LLC (“PointsBet”) on March 8, 2024, which amends the original Online Gaming Agreement dated August 5, 2020 mentioned in the Online Casino section below. After Fanatics Betting and Gaming purchased the PointsBet NA assets including PointsBet NJ, the Amended and Restated agreement allows Fanatics Betting and Gaming to operate an online sportsbook skin

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under the Company's license. The primary branding of the sportsbook skin Fanatics. Fanatics Betting and Gaming will operate the platform, maintain the required bank account and pay an annual fee to the Company. The annual fee is reported in Other Revenue in the accompanying income statements. There were no expenses recorded for this skin.

BallyBet:

With the rebranding of BallyCasino into BallyBet on November 6, 2024, the Company and Gamesys commenced operation of an online sportsbook under the BallyBet skin. Gamesys operates the platform, while the Company maintains the required bank account and records revenue and expense associated with this skin. Net revenue represents gross gaming revenue less free play and is reflected in Casino Revenue in the accompanying income statements. Expenses include but are not limited to gaming tax, regulatory fees, marketing costs and game fees and are reflected in Casino Expense in the accompanying income statements.

Internet Gaming Skins (Online Casino)

The Company and its third party providers operated three internet gaming skins in 2024 and Q3 2025. In addition, we have a commitment for a fourth skin that did not launch as of Q3 2025.

PointsBet / Fanatics:

TRMG entered into an Online Gaming Agreement with PointsBet on August 5, 2020. This agreement licensed an online gaming skin to PointsBet as a third-party operator. The PointsBet-branded online casino skin commenced operation on July 23, 2021. Under the terms of this agreement, PointsBet operates the platform, maintains the required bank account and pays a monthly percentage of net gaming revenue to the Company. These revenues are reported in Other Revenue in the accompanying income statements. There were no expenses recorded by the Company in 2025 or 2024 for this skin.

As stated in the Online Sports Wagering section, the Company entered into an Amended and Restated Online Gaming Agreement with PointsBet on March 8, 2024, which allows Fanatics Betting & Gaming to operate an online sportsbook skin in addition to the existing online gaming skin. The terms for the online gaming skin are amended to replace the monthly percentage of net gaming revenue share with an annual fee. The online casino skin shall be branded as PointsBet prior to migration in May 2024 or as Fanatics from May 2024 forward. The annual fee is reported in Other Revenue in the accompanying income statements.

BallyCasino/BallyBet:

As mentioned in Note 1, Bally's acquired Gamesys in October 2021. On December 8, 2021, the Company and Gamesys commenced operation of a NJ Bally's branded online gaming skin, ballycasino.com. Gamesys operates the platform, while the Company maintains the required bank account and records revenue and expense associated with this skin. Net revenue represents gross gaming revenue less free play and is reflected in Casino Revenue in the accompanying income statements. Expenses include but are not limited to payroll, gaming tax, regulatory fees, marketing costs and game fees and are reflected in Casino Expense in the accompanying income statements. BallysCasino became known as BallyBet as of November 6, 2024, coinciding with the commencement of the online sportsbook also under the BallyBet skin.

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VirginCasino/Monopoly Casino:

The VirginCasino online casino skin was previously operated by Gamesys under the Tropicana internet gaming license. On April 5, 2022, the Virgin skin was transferred to the Company's license. The skin is operated by Gamesys and the Company maintains the required bank account. As of November 6, 2024, the VirginCasino skin was rebranded as Monopoly Casino. There are no revenues or expenses recorded in the Company's financial statements in 2024 or 2023. All transactions related to this skin are handled through intercompany accounts on the Company's balance sheet.

theScore:

TRMG entered into an Online Market Access Agreement with Score Digital Sports Ventures Inc. ("theScore") in August 2020 which allows theScore to host, manager, operate and support an online gaming skin. Under the terms of the agreement, theScore will operate the platform, maintain the required bank account and pay an annual royalty fee based on percentage of net gaming revenue to the Company.

On June 22, 2023, theScore Online Market Access Agreement was assigned to Penn Sports Interactive, LLC ("PSI"). PSI is an affiliate of Penn Entertainment, Inc., the company which acquired theScore. Pursuant to this assignment agreement, PSI assumes all rights, interests and obligations of theScore under the original agreement with the Company. This online casino skin has not launched as of this date.

In addition to the accounting treatment of revenues mentioned above, revenue related to market access payments from our third party providers is typically amortized over the life of the agreement and is included in Other Revenue in the accompanying income statements.

Interactive intercompany receivables of \$111,733 as of September 30, 2025 represent inter-company settlement of both revenue and expense activities between Bally Casino, Bally Bet and Monopoly Casino and North American Interactive, all of which are subsidiaries of Bally's Corporation. The receivable is categorized as Investments, Advances and Receivables.

NOTE 5 - RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Casino Receivable (Net of allowance for doubtful accounts \$2,987 in 2025, \$2,911 in 2024)	\$3,543	\$ 2,374
Other (Net of allowance for doubtful accounts of \$489 in 2025 and \$1,678 in 2024)	7,644	5,827
	<u>\$11,187</u>	<u>\$8,201</u>

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NOTE 6 - OTHER CURRENT ASSETS

Prepaid Expense and Other Current Assets as of September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Prepaid Taxes & License Fees	\$765	\$739
Prepaid Agreements	921	694
Prepaid Marketing	594	168
Prepaid Utilities	109	195
Other	41	108
	<u>\$2,430</u>	<u>\$1,904</u>

NOTE 7- PROPERTY AND EQUIPMENT

Property and equipment as of September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Land	\$14,380	\$16,909
Buildings and Improvements	56,852	94,360
Furniture, Fixtures and Equipment	3,901	31,208
Construction in Progress	4,593	13,389
	<u>79,726</u>	<u>155,866</u>
Less accumulated depreciation	<u>(2,050)</u>	<u>(28,348)</u>
	<u>\$77,676</u>	<u>\$127,518</u>

Depreciation expense related to property and equipment was \$2,992 and \$7,316 for the nine months ended September 30, 2025 and 2024, respectively.

NOTE 8 - OTHER ASSETS

Other assets as of September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Intangible asset - Customer relationships (net of accumulated amortization of \$71 in 2025 and \$426 in 2024)	\$355	\$464
Deferred tax asset	37,522	35,082
Other	228	41
	<u>\$38,105</u>	<u>\$35,587</u>

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NOTE 9 - OTHER ACCRUED EXPENSES

Other accrued expenses as of September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Accrued payroll, taxes and benefits	\$3,955	\$6,543
Accrued gaming tax	3,994	2,621
Accrued gaming and internet gaming	1,956	2,216
Accrued utilities	1,796	771
Accrued sportsbook tickets	1,079	1,316
Accrued player points liability	679	795
Accrued sales tax	549	651
Accrued marketing	471	539
Other	1,801	1,161
	<u>\$16,280</u>	<u>\$16,613</u>

NOTE 10 - OTHER CURRENT LIABILITIES

Other current liabilities as of September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Due to Gamesys	\$164,550	\$83,825
Due to BMG	135,069	80,933
Unredeemed chip liability	994	1,318
Deferred Revenue	518	518
Other	2,460	1,622
	<u>\$303,591</u>	<u>\$168,216</u>

The amounts due to Gamesys primarily represent marketing and third party game fees related to the ballycasino.com online casino platform.

NOTE 11 – LITIGATION, CONTRACTUAL COMMITMENTS AND CONTINGENCIES

City of Atlantic City Real Property Tax and Payment in Lieu of Taxes (PILOT)

Beginning for calendar year 2017, each casino licensee entered into a 10-year financial agreement with the City of Atlantic City to make quarterly payments in lieu of real estate taxes. The Company is responsible for the payments based on its share as referenced in the agreement and will be subject to lien provisions if the payments are not made. The Company's expenses were \$5,791 and \$5,473 for the nine months ended September 30, 2025 and 2024, respectively.

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Atlantic City Alliance

Beginning with 2017, the PILOT program agreement also provided for the abolishment of the Atlantic City Alliance and redirected funds to the State of NJ for Atlantic City fiscal relief. The AC industry is required to provide \$15,000 in 2017, \$10,000 in 2018 and \$5,000 from 2019 through 2023 to a Separate State Fund for marketing initiatives aimed at growing tourism in Atlantic City. Legislation passed in December 2021 extended the \$5,000 industry annual payments through 2026. The Company expensed \$193 and \$205 for the nine months ending September 30, 2025 and 2024, respectively.

Litigation

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

NOTE 12 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential disclosure through November 14, 2025, the date the Company's financial statements were available to be issued.