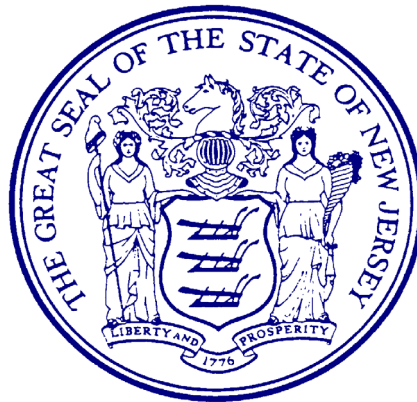


BOARDWALK REGENCY LLC
QUARTERLY REPORT
FOR THE QUARTER ENDED JUNE 30, 2025

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

BOARDWALK REGENCY LLC

BALANCE SHEETS

AS OF JUNE 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, 3	\$18,275	\$18,794
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2025, \$2,260; 2024, \$4,717).....	2, 4, 12	7,489	10,530
4	Inventories	2	1,016	929
5	Other Current Assets.....	5	2,088	7,969
6	Total Current Assets.....		28,868	38,222
7	Investments, Advances, and Receivables.....	6	576	1,138
8	Property and Equipment - Gross.....	2, 7	552,070	541,457
9	Less: Accumulated Depreciation and Amortization.....	2, 7	(197,680)	(151,200)
10	Property and Equipment - Net.....	2, 7	354,390	390,257
11	Other Assets.....	9	12,359	16,831
12	Total Assets.....		\$396,193	\$446,448
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$5,425	\$10,812
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....		530	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	3, 10	18,774	15,603
19	Other Current Liabilities.....		2,567	2,641
20	Total Current Liabilities.....		27,296	29,056
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		1,094	0
23	Deferred Credits		0	0
24	Other Liabilities.....	11	515,138	508,996
25	Commitments and Contingencies.....	14	0	0
26	Total Liabilities.....		543,528	538,052
27	Stockholders', Partners', or Proprietor's Equity.....		(147,335)	(91,604)
28	Total Liabilities and Equity.....		\$396,193	\$446,448

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

BOARDWALK REGENCY LLC

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	Revenue:			
1	Casino.....		\$52,694	\$60,069
2	Rooms.....		26,530	27,518
3	Food and Beverage.....		26,329	27,344
4	Other.....		7,770	8,286
5	Net Revenue.....	12	113,323	123,217
	Costs and Expenses:			
6	Casino.....		36,765	39,256
7	Rooms, Food and Beverage.....		29,345	28,084
8	General, Administrative and Other.....		31,063	30,668
9	Total Costs and Expenses.....		97,173	98,008
10	Gross Operating Profit.....		16,150	25,209
11	Depreciation and Amortization.....	2	25,605	25,301
	Charges from Affiliates Other than Interest:			
12	Management Fees.....			
13	Other.....	3	8,956	10,129
14	Income (Loss) from Operations.....		(18,411)	(10,221)
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....			
16	Interest Expense - External.....		(30,774)	(30,612)
17	CRDA Related Income (Expense) - Net.....	13	1	(19)
18	Nonoperating Income (Expense) - Net.....		100	602
19	Total Other Income (Expenses).....		(30,673)	(30,029)
20	Income (Loss) Before Taxes		(49,084)	(40,250)
21	Provision (Credit) for Income Taxes.....		0	0
22	Net Income (Loss).....		(\$49,084)	(\$40,250)

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

BOARDWALK REGENCY LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	Revenue:			
1	Casino.....		\$29,960	\$30,631
2	Rooms.....		14,593	14,856
3	Food and Beverage.....		14,326	13,792
4	Other.....		4,349	4,358
5	Net Revenue.....	12	63,228	63,637
	Costs and Expenses:			
6	Casino.....		19,625	19,623
7	Rooms, Food and Beverage.....		15,898	14,816
8	General, Administrative and Other.....		15,096	14,551
9	Total Costs and Expenses.....		50,619	48,990
10	Gross Operating Profit.....		12,609	14,647
11	Depreciation and Amortization.....	2	12,821	12,811
	Charges from Affiliates Other than Interest:			
12	Management Fees.....			
13	Other.....	3	4,464	5,072
14	Income (Loss) from Operations.....		(4,676)	(3,236)
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....			
16	Interest Expense - External.....		(15,452)	(15,327)
17	CRDA Related Income (Expense) - Net.....	13	0	(6)
18	Nonoperating Income (Expense) - Net.....		51	(5)
19	Total Other Income (Expenses).....		(15,401)	(15,338)
20	Income (Loss) Before Taxes		(20,077)	(18,574)
21	Provision (Credit) for Income Taxes.....		0	0
22	Net Income (Loss).....		(\$20,077)	(\$18,574)

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

BOARDWALK REGENCY LLC
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024 AND SIX MONTHS ENDED JUNE 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	\$158,586	\$0	(\$233,249)	(\$74,663)
2	Net Income (Loss) - 2024.....								(79,993)	(79,993)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6	Equitization.....						35,668			35,668
7										0
8										0
9										0
10	Balance, December 31, 2024.....		0	0	0	0	194,254	0	(313,242)	(118,988)
11	Net Income (Loss) - 2025.....								(49,084)	(49,084)
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....									0
14	Prior Period Adjustments.....									0
15	Equitization.....						20,737			20,737
16										0
17										0
18										0
19	Balance, June 30, 2025		0	\$0	0	\$0	\$214,991	\$0	(\$362,326)	(\$147,335)

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

BOARDWALK REGENCY LLC
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$14,430)	(\$15,097)
	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.....		(7,677)	(12,308)
5	Proceeds from Disposition of Property and Equipment.....			
6	CRDA Obligations		(1,185)	(1,265)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances		1,331	1,126
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(7,531)	(12,447)
	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	Borrowings/Payments of Intercompany Payable		20,737	23,309
22				
23	Net Cash Provided (Used) By Financing Activities.....		20,737	23,309
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(1,224)	(4,235)
25	Cash and Cash Equivalents at Beginning of Period.....		19,499	23,029
26	Cash and Cash Equivalents at End of Period.....		\$18,275	\$18,794
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$27,524	\$27,645
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.

BOARDWALK REGENCY LLC

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 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).....		(\$49,084)	(\$40,250)
30	Depreciation and Amortization of Property and Equipment...		23,626	23,323
31	Amortization of Other Assets.....		1,979	1,978
32	Amortization of Debt Discount or Premium.....			
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment.....			
36	(Gain) Loss on CRDA-Related Obligations.....		(1)	(607)
37	(Gain) Loss from Other Investment Activities.....			0
38	(Increase) Decrease in Receivables and Patrons' Checks		1,517	220
39	(Increase) Decrease in Inventories		(197)	36
40	(Increase) Decrease in Other Current Assets.....		(854)	(2,097)
41	(Increase) Decrease in Other Assets.....		4	33
42	Increase (Decrease) in Accounts Payable.....		(400)	1,149
43	Increase (Decrease) in Other Current Liabilities		4,780	(865)
44	Increase (Decrease) in Other Liabilities		4,200	1,983
45	Impairment Charges		0	0
46				
47	Net Cash Provided (Used) By Operating Activities.....		(\$14,430)	(\$15,097)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$9,278)	(\$12,308)
49	Less: Capital Lease Obligations Incurred.....		1,601	
50	Cash Outflows for Property and Equipment.....		(\$7,677)	(\$12,308)
	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.....		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.

BOARDWALK REGENCY LLC SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 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	196,698	\$15,898		
2	Food	79,430	3,756	41,018	867
3	Beverage*	509,340	6,499		
4	Travel			24,662	3,744
5	Bus Program Cash				
6	Promotional Gaming Credits	604,380	15,110		
7	Complimentary Cash Gifts	53,015	2,643		
8	Entertainment	906	113	323	41
9	Retail & Non-Cash Gifts	24,768	495	23,556	2,355
10	Parking	120,203	1,279		
11	Other**	2,483	311		
12	Total	1,591,223	\$46,104	89,559	\$7,007

FOR THE THREE MONTHS ENDED JUNE 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	106,216	\$8,391		
2	Food	39,308	1,956	20,885	450
3	Beverage*	268,813	3,430		
4	Travel			12,511	2,092
5	Bus Program Cash				
6	Promotional Gaming Credits	315,623	7,891		
7	Complimentary Cash Gifts	26,384	1,828		
8	Entertainment	714	89	143	18
9	Retail & Non-Cash Gifts	12,149	243	14,490	1,449
10	Parking	65,384	696		
11	Other**	1,226	153		
12	Total	835,817	\$24,677	48,029	\$4,009

*Beverage recipients are based on \$12.76 per drink.

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

BOARDWALK REGENCY LLC STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED JUNE 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.

8/15/2025

Date



Nicholas Capriotti

Vice President of Finance

Title

10888-11

License Number

On Behalf of:

BOARDWALK REGENCY LLC

Casino Licensee

Boardwalk Regency LLC (Caesars Atlantic City)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 – ORGANIZATION

On July 20, 2020, Eldorado Resorts, Inc. (“Eldorado”) completed the merger in which a wholly-owned subsidiary of Eldorado merged with and into Caesars Entertainment Corporation (“Former Caesars”) with Former Caesars surviving as a wholly-owned subsidiary of Eldorado (the “Merger”) pursuant to the Agreement and Plan of Merger dated as of June 24, 2019 (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, the “Merger Agreement”). In connection with the Merger, Caesars Entertainment Corporation changed its name to “Caesars Holdings, Inc.” and Eldorado Resorts, Inc. converted into a Delaware corporation and changed its name to “Caesars Entertainment, Inc.” (“CEI”)

Caesars Atlantic City Hotel & Casino is a casino hotel resort located in Atlantic City, New Jersey, owned and operated by Boardwalk Regency, LLC (“Caesars Atlantic City” or “Casino Licensee”), an indirect wholly owned subsidiary of CEOC LLC. Caesars Atlantic City is licensed by the New Jersey Casino Control Commission (CCC) and is subject to its rules and regulations, as well as the rules and regulations of the New Jersey Division of Gaming Enforcement (“DGE”). The license has no expiration date.

Caesars Atlantic City took over operations of the Pier on January 28, 2020. The Pier at Caesars, LLC is a subsidiary to Caesars Atlantic City and the results are not included in the Company’s financials. Effective August 1, 2023, Caesars Atlantic City signed an agreement with ACX1 Studios who took over the operations of the Pier.

Caesars Atlantic City and No Fishing LLC (Spiegelworld) entered into an agreement, effective August 29, 2022 for Spiegelworld to design, develop, construct and operate a live entertainment show and restaurant on the property belonging to the Company. . The agreement provides evidence to their understandings and agreements concerning their relative rights, obligations and responsibilities with respect to the production, presentation and exploitation of the Show and the development and operation of the Restaurant. The Show (Hook) and Restaurant (Superfrico) opened June 30, 2023. As of June 30, 2025, operating losses of \$1,527 is included in General, Administrative and Other on the Statements of Income. Caesars Atlantic City took over operations of the Restaurant (Superfrico) on February 7, 2025.

VICI Regional Lease Agreement/Exercise of Call Right Option

VICI exercised its call right option to purchase Harrah’s Atlantic City, including the Waterfront Conference Center, Harrah’s New Orleans and Harrah’s Laughlin. As a result of this transaction, the Company reentered into a new agreement with VICI, now referred to as the Regional Lease. The Regional Lease payments are allocated to the properties based upon EBITDA contribution. See note 8 for a revised lease payment schedule.

Internet Gaming Permit/Sports Wagering License

Casino licensee, Boardwalk Regency, LLC (referred to as “Caesars” or “casino licensee”) holds a Sports Wagering License. The Internet Gaming Permit associated with Caesars is held by Caesars Interactive Entertainment New Jersey, LLC, (CIENJ), the holder of a casino license and the internet gaming affiliate of Caesars. Internet gaming and online sports wagering operations are conducted through CIENJ. Caesars does not report revenues or expenses from Internet gaming and online sports wagering operations and therefore there is no impact on the casino licensee financial statements.

There are no active internet gaming or online Sports Wagering skins operated by CIENJ under the CIENJ Internet Gaming Permit associated with Caesars license as of June 30, 2025.

Inactive Skins

888, a Third-Party Internet gaming skin, previously operated under Caesars through its internet gaming affiliate, CIENJ. 888 commenced operations on 11/26/13 and ceased operations on 6/11/2024. Revenues associated with this skin were not reported on Caesars’ financial statements.

Boardwalk Regency LLC (Caesars Atlantic City)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Retail Sports Wagering Lounge

Caesars does not operate the Retail Sports Wagering Book. The Book is operated by William Hill New Jersey, Inc. (WHNJ), an affiliate of CIENJ and Caesars. Casino licensee does not record revenue and expense, however casino licensee does participate in a profit/loss share agreement with WHNJ.

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 estimates, actual amounts could differ.

Principles of Consolidation - The accompanying consolidated financial statement schedules include the account balances of the Company and its wholly owned subsidiaries. As a result, all material intercompany transactions and balances have been eliminated in consolidation.

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

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

Receivables - The Company issues credit to approved casino customers following investigations of creditworthiness. Business or economic conditions or other significant events could affect the collectability of these receivables. Accounts receivable are typically non-interest bearing and are initially recorded at cost.

Marker play represents a portion of the Company's overall games volume. The Company maintains strict control over the issuance of markers and aggressively pursues collection from those customers who fail to pay their marker balances timely. These collection efforts include the mailing of statements and delinquency notices, personal contacts, the use of outside collection agencies and civil litigation. Markers are generally legally enforceable instruments in the United States. Markers are not legally enforceable instruments in some foreign countries, but the United States' assets of foreign customers may be reached to satisfy judgments entered in the United States. The Company considers the likelihood and difficulty of enforceability, among other factors, when the Company issues credit to customers who are not residents of the United States.

Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. The Company reserves an estimated amount for gaming receivables that may not be collected to reduce the Company's receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for allowance for doubtful accounts.

Property and Equipment - Property and equipment are stated at cost, except for assets acquired in our business combinations which were adjusted for fair value under ASC 805. 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. Costs of major improvements are capitalized, while

Boardwalk Regency LLC (Caesars Atlantic City)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

costs of normal repairs and maintenance are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in operating income.

The Company evaluates its property and equipment and other long-lived assets for impairment based on its classification as held for sale or to be held and used. Several criteria must be met before an asset is classified as held for sale, including that management with the appropriate authority commits to a plan to sell the asset at a reasonable price in relation to its fair value and is actively seeking a buyer. For assets held for sale, the Company recognizes the asset at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. For assets to be held and used, the Company reviews for impairment whenever indicators of impairment exist. The Company then 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, whether for assets held for sale or assets to be held and used, are recorded as operating expenses.

Our property and equipment is subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms, convention space and retail space through various short-term and long-term operating leases.

Useful Lives

Land improvements	12 to 40 years
Buildings and improvements	3 to 40 years
Leasehold improvements	3 to 30 years
Furniture, fixtures, and equipment	3 to 15 years

Intangible Assets Other Than Goodwill – Intangible assets other than goodwill represents the customer database. Due to the merger and the acquisition of Wild Wild West Casino, the customer database increased to \$27,700. As of June 30, 2025 and 2024, the gross carrying value is \$27,700 and the accumulated amortization is \$19,786 and \$15,829, respectively.

Long Term Debt Obligation – In 2025, the Company entered into agreement to lease 25 Slot Machines. The debt components are under current and long-term portion of the debt. Balance as of June 30, 2025 were \$522 and \$1,079 respectively.

Goodwill – The purchase price of an acquisition is allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. The Companies determine the estimated fair values after review and consideration of relevant information including discounted cash flows, quoted market prices, and estimates made by management. To the extent the purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired and liabilities assumed, such excess is recorded as goodwill. Caesars Atlantic City had recorded \$4,285 due to the acquisition of Wild Wild West Casino. The Company identified the estimated fair value below its carrying value and recorded an impairment of \$4,285 in December 31, 2023.

Customer relationships are amortized using the straight-line method over the estimated useful life of the asset. The Companies perform their annual impairment tests as of October 1 of each fiscal year. When indicators are noted, the Companies then compare the estimated undiscounted future cash flows to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is recorded. No impairment charges were recorded for the year ended June 30, 2025.

Revenue Recognition (*Adoption of New Revenue Recognition Standard*) - In May 2014, the FASB issued a new standard related to revenue recognition, Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers. We adopted the standard effective January 1, 2018, using the full retrospective method, which requires the Company to recast each prior reporting period presented consistent with the new standard.

Caesars Rewards, formerly known as Total Rewards, affects revenue from our four core businesses: casino entertainment, food and beverage, rooms and hotel, and other business operations. Previously, the Company accrued a liability based on the estimated cost of

Boardwalk Regency LLC (Caesars Atlantic City)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

fulfilling the redemption of Reward Credits, after consideration of estimated forfeitures (referred to as “breakage”), based upon the cost of historical redemptions. Upon adoption of the new accounting standard, Reward Credits are no longer recorded at cost, and a deferred revenue model is used to account for the classification and timing of revenue recognized as well as the classification of related expenses when Reward Credits are redeemed. This results in a portion of casino revenues being recorded as deferred revenue as Reward Credits are earned. Revenue is recognized in a future period based on when and for what good or service the Reward Credits are redeemed (e.g., a hotel room).

Additionally, we previously recorded promotional allowances in a separate line item within net revenues. As part of adopting the new standard, promotional allowances are no longer presented separately. Alternatively, revenue is recognized based on relative standalone selling prices for transactions with more than one performance obligation. For example, when a casino customer is given a complimentary room, we are required to allocate a portion of the casino revenues earned from the customer to rooms revenues based on the standalone selling price of the room. As a result of this change, we are reporting substantially lower casino revenues; however, there are no material effect on total net revenues.

Revenues – We analyze our revenues based upon the type of services we provide and the geographic location of the related property. We recognize revenue when control over the goods and services we provide has transferred to the customer, which is generally 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 operating expenses.

Casino Revenues

The Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses, not the total amount wagered. Gaming revenues are recognized net of certain cash and free play incentives as well as complimentary.

Non Gaming Revenues

Rooms revenue, food and beverage revenue, and entertainment and other revenue include: (i) the actual amounts paid for such services (less any amounts allocated to unperformed performance obligations, such as Reward Credits described below); (ii) the value of Reward Credits redeemed for such services; and (iii) the portion of the transaction price allocated to complimentary goods or services provided in conjunction with other revenue-generating activities. Rooms revenue is generally recognized over the course of the customer’s reservation period. Food and beverage and entertainment and other revenues are recognized when services are performed or events are held. Amounts paid in advance, such as advance deposits on rooms and advance ticket sales, are recorded as a liability until the goods or services are provided to the customer.

Other Revenue

Other revenue primarily includes revenue from third-party real estate leasing arrangements at our casino properties. Rental income is recognized ratably over the lease term with contingent rental income being recognized when the right to receive such rental income is established according to the lease agreements.

Caesars Rewards Loyalty Program - Caesars’ customer loyalty program, 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. A member’s Reward Credit balance is forfeited if the member does not earn a Reward Credit for a continuous six-month period.

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

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Credits that are earned based upon the relative standalone selling prices ("SSP") of the goods and services involved. When the activity underlying the "earning" of the Reward Credits has a wide range of selling prices and is highly variable, such as in the case of gaming activities, we use the residual approach in this allocation by computing the value of the Reward Credits as described below and allocating the residual amount to the gaming activity. This allocation results in a significant portion of the transaction price being deferred and presented as a Contract Liability on our Corporate Balance Sheets. Any amounts allocated to the Contract Liabilities are recognized as revenue when the Reward Credits are redeemed in accordance with the specific recognition policy of the activity for which the credits are redeemed. This balance is further described below under Contract Liabilities.

Our Caesars Rewards loyalty program includes various tiers that offer different benefits, and members are able to earn credits towards tier status, which generally enables them to receive discounts similar to those provided as complimentary described below. We have determined that any such discounts received as a result of tier status do not represent material rights, and therefore, we do not account for them as distinct performance obligations.

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. We have applied the practical expedient under the portfolio approach to our Reward Credit transactions because of the similarity of gaming and other transactions and the homogeneity of Reward Credits.

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

Complimentaries - As part of our normal business operations, we often provide lodging, transportation, food and beverage, entertainment and other goods and services to our customers at no additional charge. Such complimentaries are provided in conjunction with other revenue earning activities and are generally provided to encourage additional customer spending on those activities. Accordingly, we allocate a portion of the transaction price we receive from such customers to the complimentary goods and services. We perform this allocation based on the SSP of the underlying goods and services, which is determined based upon the weighted-average cash sales prices received for similar services at similar points during the year.

Gaming Tax — The Company remits weekly to the State of New Jersey a tax equal to 8% of the gross gaming revenue, as defined. Gaming taxes paid to the State of New Jersey for the six months ended June 30, 2025 and 2024, which are included in casino expenses in the accompanying consolidated statements of income, were \$7,944 and \$8,275, respectively.

Advertising Expenses — Advertising costs are expensed as incurred. Advertising expenses are \$350 and \$338 for the six months ended June 30, 2025 and 2024 respectively. Advertising expenses are included in general, administrative and other expenses in the accompanying statements of income.

City of Atlantic City Real Property Tax and Interim Payment in Lieu of Taxes (PILOT) Financial Management — Beginning for calendar year 2017, each casino licensee entered into a 10-year financial agreement with the City of Atlantic City pursuant to the Casino Property Tax Stabilization Act (the "NJ PILOT Law") which provides for quarterly payments in lieu of real estate taxes. The Company is responsible for the payments based on its prorated share (based on an equal weighted formula that includes the gross gaming revenues ("GGR") of the casino, the total number of hotel guest rooms and the geographic footprint of the real property owned by each casino gaming property) and will be subject to lien provisions if the payments are not made. The Company expensed \$4,679 and \$4,693 for the six months ended June 30, 2025 and 2024 respectively. In addition, the AC industry is required to provide \$5,000 from 2019 thru 2023 to a Separate State Fund for Atlantic City fiscal relief. The Company expensed \$194 and \$170 for the six months ending June 30, 2025 and 2024, respectively.

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On December 21, 2021, the Governor of New Jersey signed a bill which amended the NJ PILOT Law to exclude internet gaming revenues from the calculation of GGR and additionally set the 2022 PILOT payment at \$110,000. Also, the Separate State Fund Payment was extended through 2026.

A lawsuit was filed by Liberty & Prosperity 1776, Inc. against the State of New Jersey in Superior Court of New Jersey, Atlantic County Law Division challenging the constitutionality of the NJ PILOT Law and the 2021 amendments to the NJ PILOT Law. On August 29, 2022 the Court ruled that the NJ PILOT Law was constitutional but the 2021 amendment to the NJ PILOT Law was unconstitutional; thereby declaring the 2021 amendment null, void and of no effect. On October 14, 2022, in response to the State of New Jersey's motion for a stay of the Court's August 29, 2022 Order, the Court granted a stay for 90 days contingent on the Appellate Division or New Jersey Supreme Court ("Upper Court") making a determination on whether the matter should be heard on an emergent basis, with the State having the right to request an extension if the Upper Court has not yet made such a determination prior to the lapse of the 90 days. On February 3, 2023, a motion to extend the stay an additional 120 days was granted by the Court. Should the Upper Court agree to hear the case on an emergent basis, the stay will remain in place until a final decision on the merits and exhaustion of all appeals. In April 2023 the Superior Court of New Jersey Appellate Division granted the motion for an indefinite stay. On October 21, 2024 a state appellate court panel vacated the Superior Court decision and remanded it back to Superior Court for an evidentiary hearing.

Seasonal Factors - The Company's operations are subject to seasonal factors and, therefore, the results of operations of the six months ended June 30, 2025 are not necessarily indicative of the results of operations for the full year.

Omission of Disclosures - In accordance with the Financial Reporting guidelines provided by the Division of Gaming Enforcement, the Company has elected not to include certain disclosures, which have not significantly changed since filing the most recent Annual Report. Accordingly, certain Income Tax disclosures have been omitted.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company participates with CEOC and CEC's other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated by CEOC on a consolidated basis. The company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis. The Company's property, assets and capital stock are pledged as collateral for certain of CEOC's outstanding debts.

Cash Activity with CEOC and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to its parent on a daily basis. Cash transfers from its parent to the Company are also made based upon the needs of the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. No interest is charged on transfers made to or from the companies.

Administrative and Other Services - Pursuant to a shared services agreement, Caesars Enterprise Services ("CES") provides certain corporate and administrative services provided by corporate personnel. In addition, there are costs allocated to the property for workers compensation, general liability and property insurance. The Company was charged \$8,956 and \$10,129 for these services for the six months ended June 30, 2025 and 2024 respectively. The fee is included in charges from affiliates in the accompanying statements of income.

Equitization of Intercompany Balances - During June 2013, the Company elected to equitize certain intercompany balances with its parent and affiliates that were previously classified as a receivable/liability. The offset to this was Additional Paid in Capital and Retained Earnings. This is shown separately on the Statement of Changes in Stockholder's Equity.

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NOTE 4 – RECEIVABLES AND PATRONS’ CHECKS

Receivables and patrons’ checks as of June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Casino Receivables (Net of Allowance for Doubtful Accounts - 2025, \$2,129 & 2024, \$4,372	\$ 3,180	\$ 3,743
Other (Net of Allowance for Doubtful Accounts - 2025, \$131 & 2024, \$345)	3,821	6,314
King Plaza	488	473
	<u>\$ 7,489</u>	<u>\$ 10,530</u>

NOTE 5 –OTHER CURRENT ASSET

Other Current Assets as of June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Spiegelworld	\$ 9	\$ 5,690
Prepaid Gaming Tax & License	925	956
Prepaid Real Estate Taxes	194	766
Prepaid Contracts/Utilities	376	275
Prepaid Marketing and Entertainment	467	193
Other	117	89
	<u>\$ 2,088</u>	<u>\$ 7,969</u>

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Casino Reinvestment Development Authority Investment Obligation ("CRDA") (net of valuation reserves)	\$ 576	\$ 1,138
	<u>\$ 576</u>	<u>\$ 1,138</u>

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NOTE 7 – LAND, BUILDINGS AND EQUIPMENT

Property and Equipment as of June 30 consist of the following:

	2025	2024
Land	\$ 21,743	\$ 20,094
Buildings and Improvements	420,134	416,032
Furniture, Fixtures, and Equipment	102,104	96,091
Construction in Progress	8,089	9,240
	<u>\$ 552,070</u>	<u>\$ 541,457</u>
Less Accumulated Depreciation & Amortization	(197,680)	(151,200)
	<u><u>\$ 354,390</u></u>	<u><u>\$ 390,257</u></u>

Our property and equipment is subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms, convention space and retail space through various short-term and long-term operating leases. See Note 8 for further discussion of our leases.

NOTE 8 –LEASES

Lessee Arrangements

Operating Leases - The Company leases both real estate and equipment used in their operations and classifies those leases as operating leases, for accounting purposes. Rent expense is associated with operating leases and is charged to expense in the year incurred. In addition to the minimum rental commitments, certain of our operating leases provide for contingent rentals based on a percentage of revenues in excess of specified amounts.

Lease Costs

	Six Months Ended June 30, 2025
Short-term lease expense	\$ 1,792
Variable lease expense	<u>98</u>
Total lease costs	<u><u>\$ 1,890</u></u>

VICI Leases

We lease certain real property assets from VICI under the Regional Lease (as amended, the “Regional Lease”), which include certain real property assets of The Company. The lease agreement, inclusive of all amendments, include (i) a 15-year initial term with four five-year renewal options, (ii) annual fixed rent payments, subject to annual escalation provisions based on the Consumer Price Index

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("CPI") and a 2% floor commencing in lease year two of the initial term and (iii) a variable element based on net revenues of the underlying leased properties, commencing this year. In 2025, the fixed rent payment is \$38,501 and variable rent payment is \$15,837.

The lease agreements were evaluated as sale-leasebacks of real estate. We determined that these transactions did not qualify for sale-leaseback accounting, and we have accounted for each of the transactions as a financing.

For these failed sale-leaseback transactions, the Company continues to reflect the real estate assets on the Balance Sheets in Property and equipment, net as if the Company was the legal owner, and continues to recognize depreciation expense over their estimated useful lives. We do not recognize lease expense related to the Lease Agreements, but we have recorded a liability for the failed sale-leaseback obligations and currently, the majority of the periodic lease payments are recognized as interest expense. In the initial periods, the majority of the cash payments are less than the interest expense recognized in the Statements of Operations, which causes the related sale-leaseback liability to increase during the initial periods of the lease term.

Annual Estimated Failed Sale-Leaseback Financing Obligation Service Requirements

	As of June 30, 2025
2025	\$ 27,634
2026	55,990
2027	57,097
2028	59,456
2029	60,370
Thereafter	1,954,110
Total future payments	2,214,657
Less: Amounts representing interest	(1,719,818)
Plus Residual values	20,292
Total financing obligation	\$ 515,131

1) Financing obligation principal and interest payments are estimated amounts based on the future minimum lease payments and certain estimates based on contingent rental payments. Actual payments may differ from the estimates.

Guarantee for Failed Sale-Leaseback

Subject to certain exceptions, the payment of all monetary obligations under the VICI Lease is guaranteed by CEI.

Lessor Arrangements

Lodging Arrangements - Lodging arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of the fees charged for lodging. The nonlease components primarily consist of resort fees and other miscellaneous items. As the timing and pattern of transfer of both the lease and

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nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. During the six months ended June 30, 2025, we recognized approximately \$26,530 in lease revenue related to lodging arrangements, which is included in Rooms revenue in the Statement of Income.

Real Estate Operating Leases - We entered into long-term real estate leasing arrangements with third-party lessees. As of June 30, 2025, the remaining terms of these operating leases ranged from 1 to 3 years, some of which include options to extend the lease term for up to 5 years. In addition to minimum rental commitments, certain of our operating leases provide for contingent payments including contingent rentals based on a percentage of revenues in excess of specified amounts and reimbursements for common area maintenance and utilities charges. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. In addition, to maintain the value of our leased assets, certain leases include specific maintenance requirements of the lessees or maintenance is performed by the Company on behalf of the lessees.

Maturity of Lease Receivables as of June 30, 2025

	<u>Operating Leases</u>
2025	218
2026	311
2027	46
2028	47
Thereafter	3
Total	<u>\$ 625</u>

NOTE 9 – OTHER ASSETS

Other assets as of June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Customer Database (less Accumulated		
Amortization of \$19,786 in 2025 & \$15,829 in 2024)	\$ 7,914	\$ 11,871
CRDA Direct Investment	4,428	4,916
Other	17	44
	<u>\$ 12,359</u>	<u>\$ 16,831</u>

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NOTE 10 - OTHER ACCRUED EXPENSES

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

	2025	2024
Accrued Payroll	\$ 5,345	\$ 4,694
Taxes and Licensing	4,986	2,230
Accrued Interest	4,303	4,279
Utilities	1,256	1,394
Advance Deposits	1,104	1,229
Progressive Liability	224	140
Accrued Ticket Liability	216	219
Accrued Marketing	88	392
Other	1,252	1,026
	<u>\$ 18,774</u>	<u>\$ 15,603</u>

NOTE 11 – OTHER LIABILITIES

Other Liabilities as of June 30 consisted of the following:

Long-term Financing Obligation	\$ 515,131	\$ 508,936
Other	7	60
	<u>\$ 515,138</u>	<u>\$ 508,996</u>

NOTE 12 – REVENUE RECOGNITION

Disaggregation of Revenue

	Six Months Ended June 30, 2025
Casino	\$ 52,694
Food and beverage ⁽¹⁾	26,329
Rooms ⁽¹⁾	26,530
Entertainment and other	7,525
Total contract revenues	113,078
Real estate leases	245
Net revenues	<u>\$ 113,323</u>

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1) As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions are no longer considered contract revenue under ASC 606, Revenue from Contracts with Customers. A portion of these balances relate to lease revenues under ASC 842. See note 8 for further details.

Receivables

	Six Months Ended June 30, 2025
Casino	\$ 3,180
Food and beverage and rooms ⁽¹⁾	2,365
Entertainment and other	40
Contract receivables, net	5,585
Real estate leases	0
Other	1,904
Receivables, net	<u>\$ 7,489</u>

(1) As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangement and conventions as well as their associated receivables are no longer considered contract revenue or contract receivables under ASC 606, Revenue from Contracts with customers. A portion of this balance relates to lease receivables under ASC 842. See note 8 for further details

NOTE 13 – CASINO REINVESTMENT DEVELOPMENT AUTHORITY INVESTMENT

CRDA Investment Obligation - The New Jersey Casino Control Act provides, among other things, for an assessment of licenses equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company previously satisfied 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 were used to purchase bonds designated by the CRDA or, under certain circumstances, used to donate to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below-market rate. Effective May 27, 2016 the CRDA investment obligation of 1.25% of gross gaming revenues was redirected to the City of Atlantic City to be used for debt service. The CRDA investment obligation will be reduced by previously contractually obligated Credit Agreements committed by the Authority.

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were \$1 and (\$19) for the six months ended June 30, 2025 and 2024, respectively, and is included in CRDA Income (Expense), in the consolidated statements of income.

The funds on deposits are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to represent their fair value and eventual expected conversion into bonds by the CRDA. Once CRDA Bonds are issued, we have concluded that the bonds are held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and, under the CRDA; they are not permitted to do otherwise. As such, the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, its fair value could only be determined based on unobservable inputs. Such inputs are limited to the historical carrying value of the CRDA Bonds that are reduced, consistent with industry practice, by 1/3 of their face value at the time of issuance to represent fair value. The Company accretes such discount over the remaining life of the bonds.

After the initial determination of fair value, the Company will analyze the recoverability of the CRDA Bonds on an annual basis and its effect on reported amount based upon the ability and likelihood of bonds to be repaid. When considering recoverability of the CRDA

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Bonds, the Company considers the relative credit-worthiness of each bondholder, historical collection experience and other information received from the CRDA. If indications exist that the amount expected to be recovered is less than its carrying value, the asset will be written down to its expected realizable amount.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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 15 – SUBSEQUENT EVENTS

The Company completed our subsequent events review and noted no items requiring disclosure