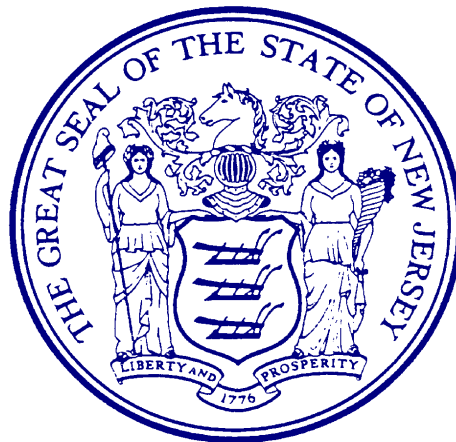


OCEAN CASINO RESORT HOLDINGS, LLC
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2025

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

OCEAN CASINO RESORT HOLDINGS, LLC

BALANCE SHEETS

AS OF DECEMBER 31, 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	\$76,141	\$67,911
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2025, \$13,011; 2024, \$10,155).....	2, 4	31,581	28,602
4	Inventories	2	6,285	6,456
5	Other Current Assets.....	5	12,088	13,175
6	Total Current Assets.....		126,095	116,144
7	Investments, Advances, and Receivables.....			
8	Property and Equipment - Gross.....	2, 6	561,376	522,778
9	Less: Accumulated Depreciation and Amortization.....	2, 6	(185,340)	(145,820)
10	Property and Equipment - Net.....		376,036	376,958
11	Other Assets.....		1,373	12,634
12	Total Assets.....		\$503,504	\$505,736
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$11,054	\$13,835
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	2, 9	7,500	7,500
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	7	36,222	34,129
19	Other Current Liabilities.....	8, 11	31,603	26,348
20	Total Current Liabilities.....		86,379	81,812
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....	2, 9	152,378	159,096
23	Deferred Credits		0	0
24	Other Liabilities.....	2	4,581	5,056
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		243,338	245,964
27	Stockholders', Partners', or Proprietor's Equity.....		260,166	259,772
28	Total Liabilities and Equity.....		\$503,504	\$505,736

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

OCEAN CASINO RESORT HOLDINGS, LLC

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	Revenue:			
1	Casino.....	2	\$253,567	\$218,231
2	Rooms.....	2	152,556	151,265
3	Food and Beverage.....	2	80,969	82,957
4	Other.....	2, 3	44,902	48,316
5	Net Revenue.....	2	531,994	500,769
	Costs and Expenses:			
6	Casino.....		110,246	104,785
7	Rooms, Food and Beverage.....		136,415	133,261
8	General, Administrative and Other.....		173,249	161,376
9	Total Costs and Expenses.....		419,910	399,422
10	Gross Operating Profit.....		112,084	101,347
11	Depreciation and Amortization.....	2	40,688	35,216
	Charges from Affiliates Other than Interest:			
12	Management Fees.....	11	600	600
13	Other.....		0	0
14	Income (Loss) from Operations.....		70,796	65,531
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....	9	(12,138)	(15,213)
17	CRDA Related Income (Expense) - Net.....	2, 10	(6,464)	(5,714)
18	Nonoperating Income (Expense) - Net.....	12	1,714	629
19	Total Other Income (Expenses).....		(16,888)	(20,298)
20	Income (Loss) Before Taxes		53,908	45,233
21	Provision (Credit) for Income Taxes.....	2, 14	15,616	(5,324)
22	Net Income (Loss).....		\$38,292	\$50,557

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

OCEAN CASINO RESORT HOLDINGS, LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	Revenue:			
1	Casino.....	2	\$65,570	\$58,911
2	Rooms.....	2	32,904	32,491
3	Food and Beverage.....	2	19,247	19,542
4	Other.....	2, 3	10,054	12,488
5	Net Revenue.....	2	127,775	123,432
	Costs and Expenses:			
6	Casino.....		28,867	26,178
7	Rooms, Food and Beverage.....		33,447	32,129
8	General, Administrative and Other.....		43,849	40,186
9	Total Costs and Expenses.....		106,163	98,493
10	Gross Operating Profit.....		21,612	24,939
11	Depreciation and Amortization.....	2	10,625	9,522
	Charges from Affiliates Other than Interest:			
12	Management Fees.....	11	150	150
13	Other.....		0	0
14	Income (Loss) from Operations.....		10,837	15,267
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....	9	(2,909)	(3,303)
17	CRDA Related Income (Expense) - Net.....	2, 10	(1,595)	(1,402)
18	Nonoperating Income (Expense) - Net.....	12	619	290
19	Total Other Income (Expenses).....		(3,885)	(4,415)
20	Income (Loss) Before Taxes		6,952	10,852
21	Provision (Credit) for Income Taxes.....	2, 14	10,096	(8,538)
22	Net Income (Loss).....		(\$3,144)	\$19,390

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

OCEAN CASINO RESORT HOLDINGS, LLC

STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2025

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	Other (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2023.....		\$189,864	\$42,192	\$0	\$232,056
2	Net Income (Loss) - 2024.....			50,557		50,557
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....	11	(22,841)			(22,841)
6	Prior Period Adjustments.....					0
7						0
8						0
9						0
10	Balance, December 31, 2024.....		167,023	92,749	0	259,772
11	Net Income (Loss) - 2025.....			38,292		38,292
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....	11	(37,898)			(37,898)
15	Prior Period Adjustments.....					0
16						0
17						0
18						0
19	Balance, December 31, 2025.....		\$129,125	\$131,041	\$0	\$260,166

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

OCEAN CASINO RESORT HOLDINGS, LLC

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025 AND 2024

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$88,321	\$52,347
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment.....		(39,966)	(50,712)
5	Proceeds from Disposition of Property and Equipment.....		473	19
6	CRDA Obligations		0	0
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances		0	0
9	Cash Outflows to Acquire Business Entities.....		0	0
10			0	0
11			0	0
12	Net Cash Provided (Used) By Investing Activities.....		(39,493)	(50,693)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt	1, 9	0	172,000
16	Costs of Issuing Debt.....	1, 9	0	(2,380)
17	Payments to Settle Long-Term Debt.....	1, 9	(7,500)	(175,633)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....	11	(33,098)	(22,841)
21	Capital Lease Obligations and Other Payments		0	0
22			0	0
23	Net Cash Provided (Used) By Financing Activities.....		(40,598)	(28,854)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		8,230	(27,200)
25	Cash and Cash Equivalents at Beginning of Period.....		67,911	95,111
26	Cash and Cash Equivalents at End of Period.....	2	\$76,141	\$67,911
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$13,544	\$11,402
28	Income Taxes.....	2, 14	\$4,680	\$8,126

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

OCEAN CASINO RESORT HOLDINGS, LLC

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025 AND 2024

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2025 (c)	2024 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$38,292	\$50,557
30	Depreciation and Amortization of Property and Equipment...	2	40,607	35,135
31	Amortization of Other Assets.....		81	81
32	Amortization of Debt Discount or Premium.....	9	782	1,466
33	Deferred Income Taxes - Current	2	0	(1,878)
34	Deferred Income Taxes - Noncurrent	14	10,810	(10,810)
35	(Gain) Loss on Disposition of Property and Equipment.....		(273)	5
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		(2,979)	5,227
39	(Increase) Decrease in Inventories		171	(379)
40	(Increase) Decrease in Other Current Assets.....		1,087	(3,677)
41	(Increase) Decrease in Other Assets.....		370	(71)
42	Increase (Decrease) in Accounts Payable.....		(2,700)	1,224
43	Increase (Decrease) in Other Current Liabilities		2,548	(20,086)
44	Increase (Decrease) in Other Liabilities		(475)	(4,447)
45			0	0
46			0	0
47	Net Cash Provided (Used) By Operating Activities.....		\$88,321	\$52,347

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$39,966)	(\$50,712)
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$39,966)	(\$50,712)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed.....		0	0
55	Issuance of Stock or Capital Invested.....		0	0
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

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

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

OCEAN CASINO RESORT HOLDINGS, LLC

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 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	383,808	\$98,504	0	\$0
2	Food	218,600	10,930	57,800	1,156
3	Beverage	2,443,500	9,774	0	0
4	Travel	0	0	10,287	1,543
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	3,243,440	81,086	0	0
7	Complimentary Cash Gifts	445,840	11,146	0	0
8	Entertainment	39,320	1,966	8,180	409
9	Retail & Non-Cash Gifts	41,720	1,043	207,980	10,399
10	Parking	1,036,400	5,182	468,800	2,020
11	Other	784,600	7,846	98,400	984
12	Total	8,637,228	\$227,477	851,447	\$16,511

FOR THE THREE MONTHS ENDED DECEMBER 31, 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	87,782	\$21,193	0	\$0
2	Food	61,200	3,060	15,450	309
3	Beverage	589,500	2,358	0	0
4	Travel	0	0	3,753	563
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	794,160	19,854	0	0
7	Complimentary Cash Gifts	123,400	3,085	0	0
8	Entertainment	7,160	358	2,000	100
9	Retail & Non-Cash Gifts	13,480	337	59,980	2,999
10	Parking	235,000	1,175	90,200	451
11	Other	122,900	1,229	30,200	302
12	Total	2,034,582	\$52,649	201,583	\$4,724

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

OCEAN CASINO RESORT HOLDINGS, LLC STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 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.

3/31/2026

Date



Daniel McFadden

Vice President of Finance

Title

7167-11

License Number

On Behalf of:

OCEAN CASINO RESORT HOLDINGS, LLC

Casino Licensee

OCEAN CASINO RESORT HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(dollars in thousands)

NOTE 1 - NATURE OF BUSINESS

Organization and Operations

Ten RE ACNJ, LLC ("Ten RE") was formed on December 15, 2016 to acquire, renovate, develop, own, and operate a casino and hotel property. Pursuant to restructuring transactions on November 24, 2021 (the "2021 Transactions"), Ten RE formed Ocean Casino Resort Holdings, LLC, a Delaware limited liability company ("OCRH" or the "Company") and contributed all of its outstanding equity interests of AC Beachfront, LLC to the Company, which assumed Ten RE liabilities. In addition, the Ilitch Organization ("Ilitch"), through various subsidiaries, invested cash for a 50% ownership of the Company. As a result of these transactions, Luxor Capital Group, LP ("Luxor"), a New York City based investment manager, who was the previous majority owner of Ten RE since 2019, along with others, own the remaining 50%.

OCRH is the sole member of:

- AC Beachfront, LLC, which is a single member LLC formed in Delaware on October 31, 2017 to hold the NJ operating entity for the casino and hotel operations.

AC Beachfront, LLC is the sole member of:

- ACOWRE, LLC, which is a single member LLC formed in Delaware on October 31, 2017 to own the real property of the casino and hotel; and
- ACOWMGR, LLC, which is a single member LLC formed in Delaware on October 31, 2017 to manage AC Ocean Walk, LLC.

Together, AC Beachfront, LLC and ACOWMGR, LLC own 100% of:

- AC Ocean Walk, LLC, which is a multi-member LLC formed in New Jersey on August 2, 2017 to hold the NJ Casino license and conduct operations of the casino and hotel. The casino and hotel operate on 20 acres of ocean-front property in Atlantic City, New Jersey with over 6.4 million square feet of building space and officially opened for business on June 25, 2018 as Ocean Casino Resort ("Ocean"). Ocean features approximately 1,860 rooms, including high end suites, a variety of fine dining and casual restaurants, approximately 1,757 slot machines, 145 table games, a sportsbook, multiple entertainment venues and various other amenities. Ocean derives its revenues primarily from casino operations, rooms sales, food and beverage revenues, and entertainment ticket sales.

OCRH, together with AC Beachfront, LLC, ACOWRE, LLC, ACOWMGR, LLC, and AC Ocean Walk, LLC, are herein referred to as the "Company".

Joint Venture – Blue Ocean Waters

In April 2018, AC Ocean Walk, LLC entered into a partnership agreement with Blue Ocean Waters, LLC, a related party, (the "Joint Venture") to operate the Day Club and the Night Club located at Ocean. The term of the agreement was initially to be ten (10) years and included a Blue Ocean Waters, LLC option to extend for five (5) additional years. The two parties had shared equally in the adjusted income/loss of the operations, until the agreement was terminated pursuant to the Chancery Court's decision in January 2023, retroactively to October 10, 2020. The Day Club and Night Club continue to be operated by the Company. The January 2023 ruling was appealed and in May 2024, a decision was made by the Superior Court of New Jersey, Appellate Division, which changed the effective date of the partnership termination from October 2020 to January 2023. The new trial date is expected to be in 2026. The impact of the Joint Venture was not material to the accompanying consolidated financial statements.

OCEAN CASINO RESORT HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(dollars in thousands)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which requires the use of estimates and assumptions that affect certain reported amounts and disclosures at the date of the accompanying consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes the estimates and assumptions are appropriate, however, actual results could differ from those estimates.

The accompanying consolidated financial statements include the accounts of the Company as of and for the three months and twelve months ended December 31, 2025 and 2024.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of OCRH and its subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications of prior year’s balances have been made to conform with the current year’s presentation.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand at the property, cash in bank, and certificates of deposits with high quality financial institutions.

As of December 31, 2025 and 2024, Cash and Cash Equivalents consist of the following:

	2025	2024
Restricted cash	\$ 16,999	\$ 13,965
Unrestricted cash and cash equivalents	59,142	53,946
Total cash and cash equivalents	\$ 76,141	\$ 67,911

The Company maintains amounts to satisfy certain deposit and contractual requirements. Also, pursuant to N.J.A.C. 13:690-1.3(j), the Company maintains separate New Jersey bank accounts to ensure security of funds held in all patrons’ online gaming (“iGaming”) accounts held under the Company’s Internet Gaming Permit and Sports Wagering license. Customer deposits related to the Company’s *BETOCEAN.COM* website are classified as restricted cash and other current liabilities in the accompanying consolidated financial statements. In addition, all cash amounts held by the Company related to third party internet gaming and sports wagering agreements are classified in the same fashion.

Receivables and Allowance for Doubtful Accounts

Receivables consist primarily of casino, hotel, and other receivables, net of an allowance for doubtful accounts. Concentration of credit risk, with respect to gaming receivables, is limited through the Company’s credit evaluation process. Upon request, the Company extends short-term credit on a discretionary basis to certain casino customers following an investigation of their creditworthiness. Economic conditions, business conditions or other significant events could impact the collectability of these receivables. Such credit is typically non-interest bearing and due on demand. In addition, the Company has receivables due from hotel guests, which are primarily secured with a credit card at the time that the customer checks in.

OCEAN CASINO RESORT HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(dollars in thousands)

The Company does not accrue interest on outstanding accounts receivable. Accounts receivables are stated at the amount management expects to collect from outstanding balances. The Company uses a forward-looking current expected credit loss model based upon historical data to determine collectability and record its allowance for doubtful accounts. The allowance for doubtful accounts at December 31, 2025 and 2024, was \$13,011 and \$10,155, respectively. Balances that are deemed uncollectible, after management has used all reasonable collection efforts, are written off against the valuation allowance. Recoveries of accounts previously written off are recorded when received.

Inventories

Inventories consist of food, beverages, linen, uniforms, retail merchandise, gift cards, general supplies, china and glass, and fuel/oil inventory. The values are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. As of December 31, 2025 and 2024, inventory was valued at \$6,285 and \$6,456, respectively.

Property and Equipment

Additions, improvements, and expenditures for repairs and maintenance that significantly extend the life of an asset are capitalized and stated at cost, net of accumulated depreciation. Other expenditures for routine repairs and maintenance are charged directly to expense when incurred. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets as follows:

Land improvements	3 through 40 years
Building and building improvements	5 through 40 years
Furniture, fixtures, and equipment	3 through 10 years

Depreciation expense related to property and equipment amounted to \$40,607 and \$35,135 for the years ended December 31, 2025 and 2024, respectively.

The Company evaluates property and equipment and other long-lived assets for impairment in accordance with GAAP. For assets to be held and used, the Company reviews such assets whenever indicators of impairment exist. If an indicator of impairment exists, the Company compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no adjustment is recorded. If the undiscounted cash flows do not exceed the carrying value, the impairment is measured based on fair value compared to the carrying value, with fair value typically based on a discounted cash flow model or market equivalents, when available. For the years ended December 31, 2025 and 2024, there were no impairment charges recognized.

Fair Value of Financial Instruments

The Company applies the following fair value hierarchy, which prioritizes the inputs utilized to measure fair value into three levels:

- Level 1 – Quoted prices for identical assets or liabilities in active markets;
- Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets or valuations based on models where the significant inputs are observable or can be corroborated by observable market data; and
- Level 3 – Valuations based on models where the significant inputs are unobservable. The unobservable inputs reflect the Company's estimates or assumptions that market participants would utilize in pricing such assets or liabilities.

The Company's assessment of the significance of a particular input requires judgment and may affect the valuation of financial assets and liabilities and their placement within the fair value hierarchy.

OCEAN CASINO RESORT HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(dollars in thousands)

The carrying amount of cash and cash equivalents, restricted cash, receivables, accounts payable, and loans from financial institutions approximate the fair value.

Revenues

Revenues from contracts with customers consist of casino revenues, non-gaming revenues and other revenues as follows:

Casino Revenues

The majority of the Company's revenues are derived from gaming activities. The Company's casino revenues include land-based gaming and online gaming are as follows:

- Land-based gaming revenues represent the difference between customer amounts wagered and amounts won, less certain sales incentives and other adjustments related to their gaming play. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis to incentivize gaming or in exchange for points earned under the Company's loyalty program.
- Online gaming is available through the Company's website (BETOCEAN.COM). The Company has a contract with a third party, which delivers, monitors and services the hardware platform and data warehouse through which the activities are conducted. Online gaming revenue represents net win from online gaming activity, which is the difference between wins and losses, less promotional offers related to a patron's level of play.
- Up until September 5, 2024, revenues generated from the Company's retail sports book were included in Casino Revenues and represented the difference between amounts wagered and amounts won by patrons. Effective September 5, 2024, a third party began to run our retail sports book. The Company receives contractual payments associated with the retail sports book, which are included in Other Revenue on the accompanying Statements of Income.

After allocation to the other revenue types for products and services provided to patrons as part of a wagering contract, the residual amount is recorded to casino revenue as soon as the wager is settled. As all wagers have similar characteristics, the Company accounts for its gaming contracts collectively on a portfolio basis versus an individual basis.

Rooms, Food and Beverage Revenues

Revenues from hotel and other services are recognized as follows:

- Hotel revenue recognition criteria are met at the time of occupancy.
- Convention revenue is recognized when the related service is rendered, or the event is held.
- Food and beverage revenue recognition criteria are met at the time of service.

Revenues from contracts with a combination of these services are allocated pro-rata based on each service's relative stand-alone selling price.

Deposits for future hotel occupancy, convention space or food and beverage services contracts are recorded as deferred revenue until the revenue recognition criteria are met. Cancellation fees for hotel, convention space and food and beverage services are recognized upon cancellation by the customer and are then included in revenues.

Other Revenues

Other revenues are recognized as follows:

- The Company recognizes revenues pursuant to agreements with third parties who operate online sports wagering and online gaming platforms under Ocean's casino license. Any advance payments received have been recorded within Other Current Liabilities and Other Liabilities in the accompanying Balance Sheets and will be amortized according to the terms of the respective agreements.

OCEAN CASINO RESORT HOLDINGS, LLC
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(unaudited)
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- Rental revenues from retail tenants are recognized monthly over the terms of the related leases.
- Entertainment revenue is recognized at the completion of the event.
- Revenues such as cash services commissions and parking revenues are recorded when the applicable services are rendered.

Complimentaries

As part of our normal business operations, we provide lodging, transportation, food and beverage, entertainment and other goods and services to our casino customers at no additional charge. Such complimentaries are provided in conjunction with other gaming revenue earning activities and are generally provided to encourage additional customer spending on those activities. Accordingly, we record the transaction price to the respective revenue type of the complimentary goods and services based on the average cash sales prices received for similar services.

The retail value of lodging, food, beverage, and other services provided to patrons without charge is included as a reduction to Casino revenues in the accompanying consolidated statements of income. The estimated costs of providing such promotional allowances are included in Rooms, Food & Beverage and General, Administrative and Other expenses in the accompanying consolidated statements of income. Complimentary products or services provided under the Company's control and discretion, which are supplied by third parties, are recorded as an operating expense. Cash discounts based upon a negotiated amount with certain patrons are recognized as a reduction to revenue on the date the related revenue is recorded. Customer loyalty program awards earned by patrons are accrued as the patron earns the points and recorded as a reduction to Casino revenues in the accompanying consolidated statements of income.

The Company offers other incentive programs. These programs include gift giveaways and other promotional programs. Management elects the type of gift and the person to whom it will be offered. Since these awards are not cash awards and are discretionary in nature, the Company includes such awards within General, Administrative and Other expenses in the accompanying consolidated statements of income. Such amounts are expensed on the date the awards are provided to the patron.

Loyalty Program

For wagering contracts that include products and services provided to a patron in exchange for points earned under the Company's loyalty program, the Company allocates the estimated fair value of the points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs. Upon redemption of loyalty program points for Company-owned products and services, the stand-alone selling price of each product or service is allocated to the respective revenue type. For redemptions of points with third parties, the redemption amount is deducted from the loyalty program liability and paid directly to the third party.

Gaming Taxes

The Company is subject to gaming tax assessments as follows:

- 8.0% of land-based gross gaming revenues
- 19.75% of online gaming gross revenues (Increased from 15% effective July 1, 2025)
- 8.5% of land-based sports wagering
- 19.75% of online sports wagering (Increased from 13% effective July 1, 2025)

Gaming taxes related to gaming gross revenues are recorded within Casino expenses in the accompanying consolidated statements of income. These taxes amounted to \$9,055 and \$7,813 for the three months ended December 31, 2025 and 2024, respectively, and \$36,079 and \$31,693 for the twelve months ended December 31, 2025 and 2024, respectively.

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CRDA Obligations

Pursuant to the New Jersey Casino Control Act ("Casino Control Act"), and the agreement dated June 28, 2018 between AC Ocean Walk, LLC and the Casino Reinvestment Development Authority ("CRDA"), the Company, as a casino licensee, is assessed an amount equal to 1.25% of its land-based gross gaming revenues and 2.5% of its online gaming gross revenues. The Company is required to make quarterly payments to the CRDA to satisfy these obligations. These obligations, also known as Investment Alternative Tax ("IAT"), are further discussed in Note 10, under NJ Pilot Law. The Company recognized CRDA fees totaling \$1,595 and \$1,402 for the three months ended December 31, 2025 and 2024, respectively and \$6,464 and \$5,714 for the twelve months ended December 31, 2025 and 2024, respectively.

Advertising Costs

The Company expenses advertising production costs as they are incurred, and advertising communication costs the first time the advertising takes place. Advertising costs totaled \$1,879 and \$1,578 for the three months ended December 31, 2025 and 2024, respectively, and \$8,305 and \$8,453 for the twelve months ended December 31, 2025 and 2024, respectively.

Income Taxes

The Company is treated as a partnership for federal income tax purposes as provided in the Internal Revenue Code. As such, the Company's income or loss is passed through to the members and reported on their individual federal income tax returns. Under the New Jersey Casino Control Act, casino licensees are required to file New Jersey Consolidated Corporation Business Tax ("CBT") returns, and the Company is subject to New Jersey State income taxes. For the twelve months ended December 31, 2025 and 2024, the Company recognized \$15,616 and (\$5,324), respectively, of current state income tax expense.

Management has evaluated uncertain tax positions taken by the Company. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service or other taxing authority. The Company has recognized no interest or penalties related to uncertain tax positions. See Note 14-Income Taxes for additional information.

Going Concern

As discussed in Note 9 to the financial statements, the Company's Term Loan and Revolver with an outstanding balance of \$137,990 and \$21,888 at December 31, 2025, net of unamortized loan costs, respectively, will mature on February 14, 2027. Absent a refinancing or an extension of the Term Loan and Revolver, the Company does not have sufficient liquidity to pay the Term Loan or Revolver when they become due. This matter raises substantial doubt about the Company's ability to continue as a going concern for one year after these financial statements are issued. The Company is in compliance with all financial and non-financial covenants under the related credit agreement. The Company has not experienced any operating losses or liquidity shortfalls that would otherwise impair its ability to meet obligations as they become due other than the contractual maturity of the debt described above. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company is in active discussions with the lenders on refinancing the Term Loan and Revolver; however, there can be no assurances that the refinancing will occur or occur on terms that are acceptable to the Company.

NOTE 3 – INTERNET GAMING AND SPORTS WAGERING

The Company holds both an internet gaming permit and a sports wagering license. As the holder of each, the Company is permitted to operate a retail sports wagering lounge, as well as up to five internet gaming websites and sports wagering websites ("Skins"). These Skins may be operated by the Company or leased to a third party.

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Through September 5, 2024, the Company operated a retail sports wagering lounge named “The Gallery”. Revenue generated from sports wagering activity at The Gallery was included in Casino Revenue on the accompanying Statements of Income, with associated expenses included in Casino expense. On August 21, 2024, we signed a Retail Sports Betting Agreement related to our existing Sportsbook, whereby the Fanatics brand now operates the retail sports wagering lounge. The Term is three years from the opening date of September 5, 2024, which was the date the room re-opened under Fanatics. The company receives contractual payments from Fanatics associated with the Retail Sports Betting Agreement, which are included in Other Revenue on the accompanying Statements of Income.

The table below provides a brief summary of the two internet gaming, and one sports wagering skin in use as of December 31, 2025:

Skin	Affiliate/ Owner/Operator of Skin	Operation Commencement Date	Internet Gaming or Sports Wagering	AC Ocean Walk, LLC Revenue Recognition
BETOCEAN	AC Ocean Walk, LLC	06/2018	Internet gaming	100% of Revenue
Playstar	Playstar NJ, LLC	08/2022	Internet gaming	Contractual Payments
Prime	Out the Gate, Inc.	03/2024	Sports Wagering	Contractual Payments

A brief description of each skin is as follows:

- the Company utilizes one of the internet gaming Skins to operate its own branded site (“BETOCEAN.COM”). The revenue derived from this website is reflected in Casino Revenue on the accompanying Statements of Income, with associated expenses included in Casino expense. This website commenced operations in June 2018.
- the Company contracted with Playstar NJ, LLC (“Playstar”) in 2021 to operate an internet gaming website. The Playstar website commenced operations in August 2022. This agreement calls for a percentage of revenue derived from the operation of the Skin to be paid to the Company, with a minimum annual revenue guarantee. In addition, an initial access fee was paid by Playstar to the Company, which is recognized as revenue over the term of the agreement. All revenue recognized by the Company from the operation of the Playstar Skin is included in Other Revenue on the accompanying Statements of Income.
- the Company contracted with Out the Gate, Inc. (“OTG”) in 2021 to operate an internet a sports wagering Skin. The OTG Skin commenced operations in March 2024. This agreement calls for a percentage of revenue derived from the operation of the Skin to be paid to the Company, with a minimum annual revenue guarantee. In addition, an initial access fee was paid by OTG to the Company, which is recognized as revenue over the term of the agreement. All revenue recognized by the Company from the operation of the OTG Skin is included in Other Revenue on the accompanying Statements of Income.

Inactive Internet Gaming and Online Sports Wagering Skin

- the Company entered into an agreement with Tipico Services, LTD (“Tipico”) in 2019 to operate both internet gaming and sports wagering Skins. The Tipico Skin for sports wagering commenced operations in October 2020. The Tipico Skin for internet gaming commenced operations in October 2021. This agreement calls for a percentage of revenue derived from the operation of both Skins to be paid to the Company, with a minimum annual revenue guarantee. In addition, an initial access fee was paid by Tipico to the Company, which is recognized as revenue over the term of

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the agreement with Tipico. All revenue recognized by the Company from the operation of the Tipico Skins is included in Other Revenue on the accompanying Statements of Income.

In June 2024, Tipico announced that it had entered into an agreement to sell its product and technology platform and that they will wind down their US operations. As such, we reached an agreement with Tipico in July to terminate the 2019 agreement with their settlement payment paid to the Company in the third quarter of 2024. The proceeds received by the Company have been recorded to Other Revenue in the accompanying Statements of Income.

- the Company entered into an agreement with GW Sports Inc, (“Parx”) in 2019 to operate an internet gaming Skin. The Parx Skin commenced operations in October 2019 and continued until February 2025. This agreement called for a percentage of revenue derived from the operation of the Skin to be paid to the Company, with a minimum annual revenue guarantee. All revenue recognized by the Company during the operation of the Parx Skin was included in Other Revenue on the accompanying Statements of Income. The agreement expired in the first quarter of 2025 in accordance with its terms.
- The Company contracted with RW BET NJ LLC (“RW Bets”) in 2022 to operate an internet gaming website. RW BETS is expected to commence operations in 2026. This agreement calls for a percentage of revenue derived from the operation of the RW Bets Skin to be paid to the Company, with a minimum annual revenue guarantee. In addition, an initial access fee was paid by RW Bets to the Company, which is recognized as revenue over the term of the agreement. All revenue recognized by the Company from the operation of the RW Bets Skin is included in Other Revenue on the accompanying Statements of Income.

NOTE 4 – RECEIVABLES AND PATRONS’ CHECKS

	December 31,	
	2025	2024
Casino receivables (net of allowance for doubtful accounts – 2025, \$12,919 and 2024, \$10,146)	\$ 25,435	\$ 23,946
Other (net of allowance for doubtful accounts – 2025, \$92 and 2024, \$9)	6,146	4,656
Receivables and patrons’ checks, net	\$ 31,581	\$ 28,602

NOTE 5 – OTHER CURRENT ASSETS

Other Current Assets consist of the following:

	December 31,	
	2025	2024
Prepaid insurance	\$ 3,344	\$ 3,471
Prepaid service contracts	1,709	1,641
Prepaid advertising and marketing	1,211	1,770
Prepaid income tax	637	762
CRDA Project Grant Agreement (Note 10)	1,084	2,179
Prepaid taxes and licenses	549	898
Other	3,554	2,454
Total	\$ 12,088	\$ 13,175

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NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following:

	December 31,	
	2025	2024
Land and land improvements	\$ 37,597	\$ 37,731
Building and building improvements	342,826	325,028
Furniture and fixtures	177,895	149,196
Construction-in-progress	3,058	10,823
Total property and equipment	561,376	522,778
Less: accumulated depreciation and amortization	(185,340)	(145,820)
Property and equipment, net	\$ 376,036	\$ 376,958

NOTE 7 – OTHER ACCRUED EXPENSES

Other Accrued Expenses consist of the following:

	December 31,	
	2025	2024
Accrued payroll and benefits	\$ 13,235	\$ 15,694
Accrued insurance reserves	9,722	6,538
Accrued taxes and fees	4,629	4,477
Parking fee agreement (Note 10)	2,964	3,075
Accrued Cash Comps	2,276	2,210
Other	3,396	2,135
Total	\$ 36,222	\$ 34,129

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NOTE 8 – OTHER CURRENT LIABILITIES

Other Current Liabilities consists of the following:

	December 31,	
	2025	2024
Partnership distribution payable	\$ 9,600	\$ 4,800
Customer loyalty programs	6,040	4,728
Land based gaming related liabilities	5,397	5,302
I-Gaming player related liabilities	4,808	6,318
Advance deposits	4,492	3,591
Deferred revenue, current	978	1,379
Other	288	230
Total	\$ 31,603	\$ 26,348

NOTE 9 – DEBT

Debt consists of the following:

	December 31,	
	2025	2024
Term Loan: Interest - SOFR + 2.5%, due 2/27, net of unamortized loan costs of \$760 and \$1,442 at December 31, 2025 and December 31, 2024, respectively	\$ 137,990	\$ 144,808
Revolver: Interest-SOFR + 2.25%, Due 2/27, net of unamortized loan costs of \$112 and \$212 at December 31, 2025 and December 31, 2024, respectively	21,888	21,788
Total Debt	\$ 159,878	\$ 166,596
Less: current portion	(7,500)	(7,500)
Total Debt, net of current portion	\$ 152,378	\$ 159,096

2024 Refinancing

On February 14, 2024, the Company refinanced and replaced its First Mortgage Loan with new lenders (the “2024 Refinancing”). As a result, the new debt consists of a \$150,000 senior secured term loan (“Term Loan”) and a \$25,000 senior secured revolving credit facility (“Revolver”), of which \$22,000 was drawn. As part of the 2024 Refinancing, the Company capitalized \$2,380 in deferred financing costs, with such amount to be amortized over the initial term of three years. Amortization expense of \$782 and \$726 related to these fees was recorded for the twelve months ended December 31, 2025 and 2024, respectively, and is included in Interest Expense on the accompanying statements of income.

Term Loan

The Term Loan has an interest rate of SOFR +2.50% and a three-year term which matures in February 2027. In addition, the Term Loan requires quarterly principal repayments of \$1,875 commencing July 1, 2024. The Company made principal payments totaling \$11,250, of which \$7,500 was paid during the twelve months ended December 31, 2025.

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Revolver

The Revolver is a \$25,000 senior secured revolving credit facility, of which \$22,000 was drawn as of December 31, 2025. The Revolver has an interest rate of SOFR +2.25% with a three-year term which also matures in February 2027.

First Mortgage Loan

Pursuant to the 2021 Transactions, the Company entered into the First Mortgage Loan agreement for up to \$185,000, of which the initial draw of \$90,000 was taken in 2021. The balance of the First Mortgage Loan was intended to be used for Lender-approved Project Costs. As of February 14, 2024, the Company had drawn \$81,883 of the balance available on the First Mortgage Loan to fund Project Costs, increasing the total outstanding under the First Mortgage Loan to \$171,883. The First Mortgage Loan required monthly payments of interest at a rate of the Secured Overnight Financing Rate ("SOFR") plus 3.895% over an initial term of three years, plus two one-year maturity extensions. The First Mortgage Loan was subject to various restrictive covenants and prepayment penalties. The First Mortgage Loan was collateralized by substantially all of the assets of the Company. Also, the Company was required to obtain and maintain protection with an interest rate cap at a strike of 3.5% throughout the term of the First Mortgage Loan. In addition, the Company capitalized \$2,467 in deferred financing costs during the year ended December 31, 2021, with such amount being amortized over the initial term of three years. Amortization expense of \$740 related to these fees was recorded for the twelve months ended December 31, 2024.

As part of the 2024 Refinancing, the First Mortgage Loan was repaid in full and terminated.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Licensing

The Company's operations are dependent upon obtaining and retaining continued licensing from the New Jersey gaming authorities. The inability to obtain a license or subsequent loss of a license could have a material adverse effect on future results of operations.

New Jersey Gross Casino Revenue Tax and Casino Investment Alternative Tax

The State of New Jersey imposes Gross Casino Revenue Taxes as follows: 8.0% for land-based gross gaming revenues; 19.75% for online gaming gross revenues (Increased from 15% effective July 1, 2025); 8.5% for land-based sports betting gross revenues; and 19.75% for online sports betting gross revenues (Increased from 13% effective July 1, 2025). Additionally, casino license holders or online gaming permit holders are required to remit additional Casino Investment Alternative Taxes of 1.25% for its land-based gross gaming revenues and sports betting combined gross revenues, and 2.5% of its online gaming gross revenues.

NJ PILOT Law

On May 27, 2016, New Jersey enacted the Casino Property Tax Stabilization Act (the "NJ PILOT Law") which exempted Atlantic City casino gaming properties from ad valorem property taxation in exchange for an agreement to make annual payments in lieu of tax payments ("PILOT Payments") to the City of Atlantic City. The NJ PILOT Law also made changes to the NJ Tourism District Law and redirected certain Investment Alternative Tax ("IAT") payments to assist in the stabilization of Atlantic City finances. Under the NJ PILOT Law, commencing in 2017 and for a period of ten (10) years, each Atlantic City casino gaming property (as defined in the NJ PILOT Law) is required to pay their prorated portion of an aggregate amount of PILOT Payments based on an equal weighted formula that includes the following criteria: 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.

In December 2021, the Governor of New Jersey signed a bill amending the PILOT legislation. The amendment eliminated internet gaming revenues from GGR used in determining the annual PILOT calculation and set the aggregate amount of 2022

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PILOT payments at \$110,000. This amount will increase each year through 2026 based on the prior year's industry gross gaming revenues, as further described in the amended legislation. The 2025 PILOT payments for the industry were approximately \$118,000.

The Company recorded expenses of \$3,486 and \$3,048 for the three months ended December 31, 2025 and 2024, respectively, and \$13,942 and \$12,188 for the years ended December 31, 2025 and 2024, respectively related to the PILOT. This expense is included in General, Administrative and Other expense on the accompanying Consolidated Income Statements.

In August 2022, a New Jersey Superior Court Judge struck down the bill passed in December 2021, which provided provisions to the casino industry in the calculation of total annual PILOT payments and the allocation by property. The State has appealed this ruling, and on January 11, 2023, was granted stay of any changes, pending appellate review.

In October 2024, the Appellate Division affirmed in part and remanded in part the decision of the Superior Court (Atlantic County). The Appellate Division affirmed the aspect of the judge's order finding the original act constitutional and reversed the judge's finding that the 2021 amendment was unconstitutional. Further, the Appellate Division also vacated the judge's order finding that Atlantic County had to be compensated based on its earlier settlement agreement and requiring the PILOT, for those purposes, to be calculated based on the formula in the original PILOT legislation (all Internet & Sports Revenue included). Finding an ambiguity in the 2019 settlement agreement on which the Atlantic County claims were based, the Appellate Division remanded the case for a new, full hearing on that issue. Further, the remand from the Appellate Division required the matter to be reassigned to a different judge for disposition. The matter was settled in April 2025.

The NJ PILOT Law also provided for the abolishment, effective January 1, 2015, of the Atlantic City Alliance ("ACA"), which had been established in 2011 as a five-year public private partnership with the casinos in Atlantic City to market tourism in the city. The \$30,000 in ACA funds paid by the casinos for each of the years 2015 and 2016 under the Tourism District Law was redirected to the State of New Jersey for Atlantic City fiscal relief. Beginning with 2017, as part of the PILOT program with the State of New Jersey, the Atlantic City casino industry is required to provide \$15,000 in 2017, \$10,000 in 2018 and \$5,000 each year from 2019 through 2026, to a separate State fund for marketing initiatives aimed at growing tourism in the city. These payments are prorated among operating casino properties based on their share of the prior year's GGR. For the years ended December 31, 2025 and 2024, the Company expensed \$727 and \$727, respectively, related to this fund, and such amounts are included in General, Administrative and Other expenses in the accompanying consolidated statements of income.

In addition, the NJ PILOT Law also provides for IAT payments made by the casino operators since the effective date of the NJ PILOT Law, which were previously deposited with the CRDA and which have not been pledged for the payment of bonds issued by the CRDA, or any bonds issued to refund such bonds, to be allocated to the State of New Jersey for purposes of paying debt service on bonds previously issued by Atlantic City.

CRDA Project Grant Agreement

Pursuant to an agreement between AC Ocean Walk, LLC and the CRDA dated June 28, 2018 (the "Project Grant Agreement"), the Company is entitled to reimbursement of certain sales taxes and other fees incurred through January 2036. As of December 31, 2025 and 2024, such amounts totaling \$1,084 and \$2,179 are recorded within Other Current Assets in the accompanying consolidated balance sheet.

Parking Fee Agreement

In connection with the purchase of the real property now known as Ocean by the Company on January 4, 2018, the Company is obligated to the previous owner of the asset for a fee per car parked in Ocean's parking garage. This agreement is for a term of ninety-nine (99) years, with liability for the fee to commence two years after the agreement date. The initial fee was

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one dollar and fifty cents per car parked, which began in year three of the agreement (2020), increasing to three dollars per car for years seven through nine (2024 through 2026), and then increasing to four dollars per car for each year thereafter. For the years ended December 31, 2025 and 2024, the Company recorded \$2,964 and \$3,075 related to this fee. The fee is paid annually in January for the preceding year. The fee is considered an addition to the purchase price of the property, is capitalized as incurred and depreciated accordingly.

Other

The Company is party to legal actions, various claims and complaints that arise in the normal course of business. It is management's belief that its defenses are substantial in each of these matters and the Company's position can be successfully defended or settled without material adverse effect on its financial position, results of operations, or cash flows.

NOTE 11 – RELATED PARTY TRANSACTIONS

Partnership Distributions

In 2022, in accordance with the Amended and Restated Limited Liability Company Agreement dated as of November 24, 2021 (the "LLC Agreement"), the Board of Managers of the Company approve certain tax and excess cash distributions to the partners totaling \$37,898 for the year ended December 31, 2025. Of that amount, \$33,098 was paid during the year ended December 31, 2025. The balance of \$4,800 has been recorded within Other Current Liabilities in the accompanying Balance Sheets and will not be paid until certain conditions in the LLC Agreement are satisfied. In addition, amounts totaling \$22,841 were approved and paid during the year ended December 31, 2024.

Management Agreement

On September 21, 2021, the NJCCC granted a CSIE license to OCRM, LLC (an affiliate of the Ilitch organization) and approved a Management Agreement between OCRM, LLC and AC Ocean Walk, LLC. The Management Agreement became effective on November 24, 2021. Under the Management Agreement, OCRM, LLC provides certain management services to the Company. The agreement calls for monthly payments of \$50 for management fees. For the years ended December 31, 2025 and 2024, the Company paid \$600 and \$600, respectively, under this agreement.

NOTE 12 – NON-OPERATING INCOME (EXPENSE), NET

Non-operating Income (Expense), net, consists of the following:

		For the years ended December 31,	
		2025	2024
Interest income	\$	1,441	\$ 1,252
Loan refinancing cost		-	(468)
Other		273	(155)
Total	\$	1,714	\$ 629

		For the three months ended December 31,	
		2025	2024
Interest Income	\$	399	\$ 285
Other		220	5
Total	\$	619	\$ 290

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NOTE 13 – EMPLOYEE BENEFIT PLANS

401(k) Plan

The Company offers a defined contribution 401(k) plan to all employees who meet certain age and length of service requirements and who are not covered by a collective bargaining agreement. Plan participants can elect to defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pre-tax basis. Such deferrals are regulated under Section 401(k) of the Internal Revenue Code. The plan allows for the Company to make an employer contribution on the employee's behalf at the Company's discretion. The Company recorded \$444 and \$521 in matching contribution expense for the three months ended December 31, 2025 and 2024, respectively. The Company recorded \$1,974 and \$1,908 in matching contribution expense for the year ended December 31, 2025 and 2024, respectively.

Multiemployer Pension Plans

Approximately 100 of the Company's trade workers, such as painters, carpenters and mechanics, are represented by collective bargaining agreements. The Company contributes to multiemployer defined benefit pension plans under the terms of these agreements. The Company is obligated to make defined contributions under these plans.

Effective May 1, 2022, the Company reached agreement with Unite Here Local 54, for a collective bargaining agreement. This agreement covers approximately 1,274 hotel, food and beverage and other employees as of December 31, 2025. Contributions to the Unite Here retirement fund commenced effective June 1, 2022.

The significant risks of participating in multiemployer defined benefit plans include, but are not limited to, the following:

- If the Company elects to withdraw from participation in the multiemployer plans, the Company may be required to pay a withdrawal liability based on the underfunded status of the plans, as applicable.
- The Company may contribute assets for the benefit of its covered employees to the multiemployer plans, but the assets could be used to provide benefits to employees of other participating employers.
- The Company may be required to fund additional amounts if other participating employers stop contributing to the multiemployer plan.

Contributions, which are based on hours worked by covered employees, totaled \$2,219 and \$2,111 for the years ended December 31, 2025 and 2024, respectively. These contributions were not individually significant to any of the respective plans.

NOTE 14 – INCOME TAXES

Federal Income Taxes

The accompanying financial statements do not include a provision for federal income taxes since the Company is taxed as a partnership for federal income tax purposes. Therefore, the Company's income and losses are allocated and reported for federal income tax purposes to the Company's members.

State Income Taxes

Under the New Jersey Casino Control Act (the "Act"), the Company is subject to state income taxes and is required to file New Jersey Consolidated Corporation Business Tax returns.

As of December 31, 2025, the Company has utilized all of its New Jersey State net operating loss and interest expense carryforwards.

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Deferred tax assets and liabilities represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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 settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date. The Company would recognize interest and penalties accrued, if any, related to unrecognized tax benefits in the provision for income taxes.

For the years ended December 31, 2025 and 2024, the Company recognized \$4,806 and \$5,486, respectively, of current state income tax expense. In addition, the Company recognized \$10,810 and (\$10,810) for the years ended December 31, 2025 and 2024 of deferred state tax expense/(benefit), respectively, related to the change in deferred tax assets and liabilities and recorded valuation allowances. For the year ended December 31, 2025 and 2024, the differences between recorded income tax expense versus income tax expense at the New Jersey statutory rate of 11.5% was primarily due to changes in valuation allowances recorded against the Company's deferred tax asset position.

The Company's deferred tax assets and liabilities as of December 31, 2025 and 2024 were as follows:

	2025	2024
Deferred tax assets:		
Receivables	\$ 1,340	\$ 1,041
Reserves/accrued liabilities	1,491	1,527
Section 174 Research & Development	-	179
Start-up costs/other	5,293	5,714
Interest expense not currently deductible	-	1,193
Property and equipment	1,574	1,156
Gross deferred tax assets	9,698	10,810
Valuation allowance	(9,698)	-
Net deferred tax assets	\$ -	\$ 10,810

For the year ended December 31, 2025 as a result of the negative evidence associated with the going concern matter discussed in Note 2, the Company recorded a valuation allowance against its deferred tax assets.

Management has evaluated uncertain tax positions taken by the Company. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the taxing authority. The Company does not have any uncertain tax positions as of December 31, 2025.

As of December 31, 2025, the tax years 2022 and onward remain open for federal income tax examinations and the tax years 2021 and onward remain open for state income tax examinations.

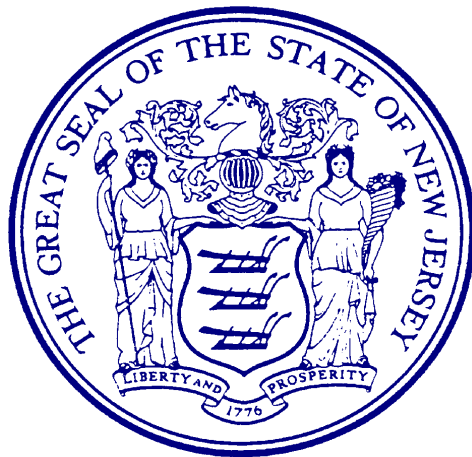
NOTE 15 – SUBSEQUENT EVENTS

In preparing the accompanying consolidated financial statements, the Company has reviewed, as determined necessary by the Company's management, events that have occurred after December 31, 2025 up to March 31, 2026, the date the financial statements were available for issuance, and we believe that the appropriate disclosures have been made throughout these footnotes.

OCEAN CASINO RESORT HOLDINGS, LLC
ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

OCEAN CASINO RESORT HOLDINGS, LLC
ANNUAL STATEMENT OF SLOT MACHINE,
TABLE GAME & OTHER GAMES WIN
FOR THE YEAR ENDED DECEMBER 31, 2025

CASINO WIN

Line (a)	Type of Game (b)	Authorized Units (c)	Win or (Loss) (d)	Drop/Handle (e)	Win (Loss) Percentage (f)
Table and Other Games:					
1	Blackjack	60	58,481,011	329,668,780	17.7%
2	Craps	6	7,164,533	45,369,009	15.8%
3	Roulette	17	11,367,715	51,603,052	22.0%
4	Big Six	0	-	-	0.0%
5	Baccarat	0	-	-	0.0%
6	Minibaccarat	26	46,504,798	288,415,847	16.1%
7	Other Games - (DGE-301B)	29	15,968,648	71,100,479	22.5%
8	Subtotal - Table and Other Games	138	\$ 139,486,705	\$ 786,157,167	17.7%
9	Poker	0	-		
10	Total - Table and Other Games	138	\$ 139,486,705		

Slot Machines:					
11	\$.01 and .02 Slot Machines	1,411	224,927,768	2,169,237,012	10.4%
12	\$.05 Slot Machines	103	26,184,511	337,454,076	7.8%
13	\$.25 Slot Machines	90	10,142,743	149,665,205	6.8%
14	\$.50 Slot Machines	18	3,328,071	63,738,029	5.2%
15	\$ 1.00 Slot Machines	94	37,559,984	471,686,520	8.0%
16	\$ 5.00 Slot Machines	14	2,441,663	28,504,960	8.6%
17	\$ 25.00 Slot Machines	1	(202,035)	855,475	-23.6%
18	\$100.00 Slot Machines	2	769,855	8,348,600	9.2%
19	Multi-denominational Slot Machines	0	-	-	0.0%
20	Other Slot Machines	52	23,459,390	255,986,459	9.2%
21	Total - Slot Machines	1,785	\$ 328,611,950	\$3,485,476,336	9.4%
22	Total Casino Win		\$ 468,098,655		

OCEAN CASINO RESORT HOLDINGS, LLC

DETAIL SCHEDULE OF OTHER GAMES

FOR THE YEAR ENDED DECEMBER 31, 2025

Line (a)	Type of Game (b)	Authorized Units (c)	Win or (Loss) (d)	Drop (e)	Win or (Loss) Percentage (f)
1	Red Dog	0	-	-	
2	Sic Bo	0	-	-	
3	Pai Gow Poker	2	1,265,459	6,194,939	20.4%
4	Pai Gow	1	52,080	373,459	13.9%
7	Keno	0	-	-	
8	Caribbean Stud Poker	0	-	-	
9	Let it Ride Poker	2	1,050,893	3,943,555	26.6%
12	Three Card Poker	5	3,592,595	12,176,433	29.5%
16	Casino War	0	-	-	
18	Spanish 21	6	2,582,902	16,119,021	16.0%
30	Double Attack Blackjack	0	-	-	
33	Four Card Poker	2	568,210	2,595,107	21.9%
39	Texas Hold 'Em Bonus Poker	0	-	-	
41	Flop Poker	0	-	-	
43	Ultimate Texas Hold 'Em	2	1,039,351	5,883,857	17.7%
44	Asia Poker	0	-	-	
45	Winner's Pot Poker	0	-	-	
47	Mississippi Stud	2	744,375	3,124,337	23.8%
48	Mini-Tex 3 Card Hold'Em	0	-	-	
49	Supreme Pai Gow	0	-	-	
50	Triple Attack Blackjack	0	-	-	
51	High Roll Dice	0	-	-	
52	Boston 7 Stud Poker	0	-	-	
53	Electronic Table Games	0	-	-	
54	5 Card Hi-Lo	0	-	-	
55	Lunar Poker	0	-	-	
56	Hold'Em 3 Bonus	0	-	-	
57	Switch Hands Blackjack	0	-	-	
58	Criss Cross Poker	2	1,194,552	5,064,212	23.6%
59	High Card Flush	3	2,329,250	9,180,531	25.4%
60	Skill Based Games				
61	Heads Up Hold'Em	2	1,548,981	6,445,028	24.0%
62	Double Draw Poker	0	-	-	
63	Pack's Poker	0	-	-	
64	Tournament -Table & Other Games				
65	Football Kings	0			
66	Pontoon 21	0			
67	Cashless Craps	0			
68	Face Pai Gow	0			
69	Pai Gow Tiles	0			
	Total	29	\$ 15,968,648	\$ 71,100,479	22.5%

OCEAN CASINO RESORT HOLDINGS, LLC
ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	Description (b)	Account Balance (c)	Allowance (d)	Accounts Receivable (Net of Allowance) (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$14,383		
2	Returned Patrons' Checks.....	22,226		
3	Total Patrons' Checks.....	36,609	\$12,919	\$23,690
4	Hotel Receivables.....	1,697	92	1,605
	Other Receivables:			
5	Receivables Due from Officers and Employees.....	-		
6	Receivables Due from Affiliates.....	-		
7	Other Accounts and Notes Receivables.....	6,286		
8	Total Other Receivables.....	6,286		6,286
9	Totals (Form DGE-205).....	\$44,592	\$13,011	\$31,581

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1).....	\$14,305
11	Counter Checks Issued.....	397,264
12	Checks Redeemed Prior to Deposit.....	(320,223)
13	Checks Collected Through Deposits.....	(70,671)
14	Checks Transferred to Returned Checks.....	(6,292)
15	Other Adjustments.....	0
16	Ending Balance.....	\$14,383
17	"Hold" Checks Included in Balance on Line 16.....	0
18	Provision for Uncollectible Patrons' Checks.....	\$4,953
19	Provision as a Percent of Counter Checks Issued.....	1.2%

OCEAN CASINO RESORT HOLDINGS, LLC
ANNUAL EMPLOYMENT AND PAYROLL REPORT
AT DECEMBER 31, 2025
(\$ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games	552			
2	Slot Machines	80			
3	Administration	0			
4	Casino Accounting	164			
5	Simulcasting	0			
6	Other	0			
7	Total - Casino	796	\$22,805		\$22,805
8	ROOMS	597	24,846		24,846
9	FOOD AND BEVERAGE	1,016	31,491		31,491
10	GUEST ENTERTAINMENT	191	3,393		3,393
11	MARKETING	127	8,963		8,963
12	OPERATION AND MAINTENANCE	175	10,909		10,909
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	5	81	1,887	1,968
14	Accounting and Auditing	70	3,940		3,940
15	Security	264	8,018		8,018
16	Other Administrative and General	14	1,350		1,350
	OTHER OPERATED DEPARTMENTS:				
17	Human Resources	20	1,615		1,615
18	Information Technology	36	3,336		3,336
19	Retail	13	510		510
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	3,324	\$121,257	\$1,887	\$123,144