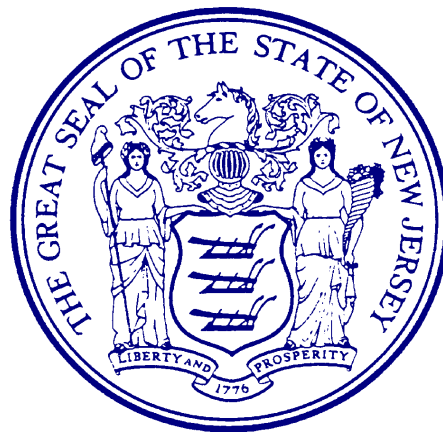


**BOARDWALK 1000, LLC DBA
HARD ROCK HOTEL & CASINO
QUARTERLY REPORT**

FOR THE QUARTER ENDED JUNE 30, 2026

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

HARD ROCK HOTEL & CASINO

BALANCE SHEETS

AS OF JUNE 30, 2026 AND 2025

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2026 (c)	2025 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$49,616	\$66,063
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2026, \$17,347; 2025, \$16,389).....	2,3,4,11	47,152	32,366
4	Inventories	2	1,827	2,105
5	Other Current Assets.....		16,529	18,358
6	Total Current Assets.....		115,124	118,892
7	Investments, Advances, and Receivables.....		0	0
8	Property and Equipment - Gross.....	2,5	710,969	679,934
9	Less: Accumulated Depreciation and Amortization.....	2,5	(306,458)	(277,146)
10	Property and Equipment - Net.....	5	404,511	402,788
11	Other Assets.....	8	1,476	3,140
12	Total Assets.....		\$521,111	\$524,820
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$10,257	\$7,623
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	9	24,900	24,900
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	6	27,499	29,057
19	Other Current Liabilities.....	2,7,8,11,12	43,681	98,108
20	Total Current Liabilities.....		106,337	159,688
	Long-Term Debt:			
21	Due to Affiliates.....	9	0	0
22	External.....	9	358,626	370,829
23	Deferred Credits		0	0
24	Other Liabilities.....	8,10,11,12	57,237	1,391
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		522,200	531,908
27	Stockholders', Partners', or Proprietor's Equity.....		(1,089)	(7,088)
28	Total Liabilities and Equity.....		\$521,111	\$524,820

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

HARD ROCK HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2026 (c)	2025 (d)
	Revenue:			
1	Casino.....	3	\$137,305	\$134,487
2	Rooms.....		41,383	46,829
3	Food and Beverage.....		50,011	52,429
4	Other.....	3	47,582	50,984
5	Net Revenue.....		276,281	284,729
	Costs and Expenses:			
6	Casino.....	2,3	51,448	49,019
7	Rooms, Food and Beverage.....		59,475	61,351
8	General, Administrative and Other.....	8,*	116,488	115,526
9	Total Costs and Expenses.....		227,411	225,896
10	Gross Operating Profit.....		48,870	58,833
11	Depreciation and Amortization.....	2, 5	16,689	15,869
	Charges from Affiliates Other than Interest:			
12	Management Fees.....	11	9,476	10,081
13	Other.....	11, *	2,442	3,066
14	Income (Loss) from Operations.....		20,263	29,817
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....	9	0	(8,195)
16	Interest Expense - External.....	9,12	(16,032)	(8,967)
17	CRDA Related Income (Expense) - Net.....	2	(1,829)	(2,046)
18	Nonoperating Income (Expense) - Net.....	2	345	575
19	Total Other Income (Expenses).....		(17,516)	(18,633)
20	Income (Loss) Before Taxes		2,747	11,184
21	Provision (Credit) for Income Taxes.....	2	0	0
22	Net Income (Loss).....		\$2,747	\$11,184

* Prior period amounts have been reclassified to conform to the current period presentation.

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

HARD ROCK HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2026 AND 2025

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2026 (c)	2025 (d)
	Revenue:			
1	Casino.....	3	\$73,986	\$68,820
2	Rooms.....		22,466	25,973
3	Food and Beverage.....		25,878	27,356
4	Other.....	3	26,067	27,581
5	Net Revenue.....		148,397	149,730
	Costs and Expenses:			
6	Casino.....	2,3	26,436	25,260
7	Rooms, Food and Beverage.....		31,480	33,021
8	General, Administrative and Other.....	8,*	61,379	58,928
9	Total Costs and Expenses.....		119,295	117,209
10	Gross Operating Profit.....		29,102	32,521
11	Depreciation and Amortization.....	2, 5	8,459	8,079
	Charges from Affiliates Other than Interest:			
12	Management Fees.....	11	5,189	5,399
13	Other.....	11,*	1,228	1,554
14	Income (Loss) from Operations.....		14,226	17,489
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....	9	0	0
16	Interest Expense - External.....	9,12	(8,126)	(8,967)
17	CRDA Related Income (Expense) - Net.....	2	(1,768)	(1,741)
18	Nonoperating Income (Expense) - Net.....	2	166	126
19	Total Other Income (Expenses).....		(9,728)	(10,582)
20	Income (Loss) Before Taxes		4,498	6,907
21	Provision (Credit) for Income Taxes.....	2	0	0
22	Net Income (Loss).....		\$4,498	\$6,907

* Prior period amounts have been reclassified to conform to the current period presentation.

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

HARD ROCK HOTEL & CASINO

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

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025 AND
THE SIX MONTHS ENDED JUNE 30, 2026

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	 (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2024.....		\$159,000	(\$272,354)	\$0	(\$113,354)
2	Net Income - 2025.....			14,436		14,436
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	Common Control Transactions	9	95,082			95,082
8						0
9						0
10	Balance, December 31, 2025.....		254,082	(257,918)	0	(3,836)
11	Net Income - 2026.....			2,747		2,747
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16						0
17						0
18						0
19	Balance, June 30, 2026.....		\$254,082	(\$255,171)	\$0	(\$1,089)

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

HARD ROCK HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2026 (c)	2025 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$4,139	\$6,479
	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.....	5	(25,458)	(10,415)
5	Proceeds from Disposition of Property and Equipment.....		0	480
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.....		(25,458)	(9,935)
	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	9	10,000	415,000
16	Costs of Issuing Debt.....	9	0	(12,984)
17	Payments to Settle Long-Term Debt.....	9	(12,450)	(434,520)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	0
21			0	0
22			0	0
23	Net Cash Provided (Used) By Financing Activities.....		(2,450)	(32,504)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(23,769)	(35,960)
25	Cash and Cash Equivalents at Beginning of Period.....		73,385	102,023
26	Cash and Cash Equivalents at End of Period.....	2	\$49,616	\$66,063
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....	9	\$14,553	\$23,269
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.

HARD ROCK HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2026 (c)	2025 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$2,747	\$11,184
30	Depreciation and Amortization of Property and Equipment...	2,5	16,689	15,869
31	Amortization of Other Assets.....		0	0
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	0
36	(Gain) Loss on CRDA-Related Obligations.....		0	0
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks	4	(6,516)	(2,072)
39	(Increase) Decrease in Inventories		(10)	151
40	(Increase) Decrease in Other Current Assets.....		(4,243)	(7,211)
41	(Increase) Decrease in Other Assets.....		668	(799)
42	Increase (Decrease) in Accounts Payable.....		(121)	(252)
43	Increase (Decrease) in Other Current Liabilities		(5,862)	(11,228)
44	Increase (Decrease) in Other Liabilities		(593)	152
45	Amortization of loan issuance costs	9	1,380	685
46			0	0
47	Net Cash Provided (Used) By Operating Activities.....		\$4,139	\$6,479

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....	5	(\$25,458)	(\$10,415)
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$25,458)	(\$10,415)
	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.

HARD ROCK HOTEL & CASINO SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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	379,955	\$33,608	0	\$0
2	Food	246,055	20,371	0	0
3	Beverage	1,518,941	10,365	0	0
4	Travel	0	0	2,776	1,249
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	592,126	46,301	0	0
7	Complimentary Cash Gifts	1,509	5,886	0	0
8	Entertainment	28,982	3,157	0	0
9	Retail & Non-Cash Gifts	0	0	159,120	9,547
10	Parking	257,983	2,896	0	0
11	Other	513,542	8,178	439,339	6,643
12	Total	3,539,093	\$130,762	601,235	\$17,439

FOR THE THREE MONTHS ENDED JUNE 30, 2026

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	200,600	\$16,769	0	\$0
2	Food	128,194	10,276	0	0
3	Beverage	758,374	5,189	0	0
4	Travel	0	0	1,437	646
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	306,562	23,941	0	0
7	Complimentary Cash Gifts	164	2,326	0	0
8	Entertainment	18,079	1,936	0	0
9	Retail & Non-Cash Gifts	0	0	81,341	4,880
10	Parking	131,591	1,478	0	0
11	Other	293,426	5,809	225,523	3,410
12	Total	1,836,990	\$67,724	308,301	\$8,936

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

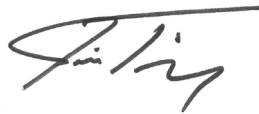
**BOARDWALK 1000, LLC DBA
HARD ROCK HOTEL & CASINO
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED JUNE 30, 2026

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.

8/13/2026

Date



Jim Tierney

Vice President - Finance Operations

Title

010779-11

License Number

On Behalf of:

BOARDWALK 1000, LLC DBA
HARD ROCK HOTEL & CASINO

Casino Licensee

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands)

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Organization

Boardwalk 1000, LLC, a New Jersey limited liability company (the “Company”), is a wholly owned subsidiary of Boardwalk 1000 Holdings, LLC, a New Jersey limited liability company (“BW Holdings”). BW Holdings is a wholly owned subsidiary of Hard Rock Tristate AC, LLC, a New Jersey limited liability company (“HR Tristate”). The Company was formed on February 24, 2017. The Company owns and operates the Hard Rock Hotel & Casino Atlantic City (the “Hard Rock Hotel & Casino”) in Atlantic City, New Jersey. The Company’s Operating Agreement was entered into by the Company and HR Tristate and became effective on February 24, 2017. The Company’s Second Amended and Restated Operating Agreement was entered into by the Company and BW Holdings and became effective on March 30, 2025. The Company’s wholly-owned subsidiary, Boardwalk Air I, LLC, a Delaware limited liability company, was formed on August 16, 2023.

Under the Second Amended and Restated Operating Agreement, the business and affairs of the Company are member-managed. BW Holdings is the sole member and has exclusive and complete authority and discretion to manage the operations and affairs of the Company. The Company shall not conduct any other business, except as permitted under the Second Amended and Restated Operating Agreement.

Nature of Business

The Hard Rock Hotel & Casino features: two hotel towers with a total of 1,973 rooms combined, including high end suites; 2,219 slot machines; 128 table games; a sportsbook; a variety of fine dining and casual restaurants; a 5,500-seat arena; a spa; a gas station, including a convenience store and car wash; and other amenities.

The Company is authorized by the New Jersey Division of Gaming Enforcement (“DGE”) to offer 24-hour internet gaming, including a variety of slot game options and sports betting (“online gaming”). See Note 3.

Regional Market Expansion – New York City Downstate Licenses

In December 2025, the New York State Gaming Commission officially awarded three full-scale commercial gaming licenses for the downstate New York region, including casino resorts in Queens and the Bronx. While the development of these integrated resorts may take two or more years to complete, an existing resort began table game operations and slot machine offerings during late April 2026.

The introduction of this additional gaming capacity in the New York City metropolitan area may present a competitive risk to the Atlantic City gaming industry, as New York City is a primary feeder market for Atlantic City casinos. The Company anticipates that the increased convenience of these facilities for New York-based patrons may result in a reduction in Atlantic City visitation and gaming volumes, which may adversely affect the results of operations of the Atlantic City casinos.

The Company is pursuing strategic marketing initiatives to mitigate the potential impact on its results of operations from the increased regional competition. In addition, the Company is investing capital to enhance its gaming and non-gaming amenities as part of its strategy to grow its Atlantic City market share. If necessary, the Company has the ability to obtain additional financial resources from its member.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Boardwalk Air I, LLC. All intercompany transactions have been eliminated in consolidation.

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. The Company's policy is to place investments with financial institutions evaluated as being creditworthy, or in short-term money market funds that are exposed to minimal interest rate and credit risk. As of June 30, 2026, the Company maintained balances in certain of its deposit accounts in excess of federally insured limits. The Company does not expect to incur any losses resulting from cash held in financial institutions in excess of insured limits. The Company manages this risk by predominantly holding its cash with a large, financially stable, global bank.

Cash and cash equivalents consist of the following:

	June 30,	
	2026	2025
Unrestricted cash	\$ 49,608	\$ 41,092
Restricted cash	8	24,971
	<u>\$ 49,616</u>	<u>\$ 66,063</u>

Restricted cash at June 30, 2026 was \$8, which consisted of \$8 of cash related to third-party internet gaming operations. Restricted cash at June 30, 2025 was \$24,971 which included \$21,014 of restricted cash related to the balances of patrons' internet gaming accounts, \$3,949 related to cash collateral for letters of credit related to the Company's workers compensation insurance, and \$8 of cash related to third party internet gaming operations. Restricted cash balances are deposited with a large, financially stable, global bank.

Prior to June 30, 2025, New Jersey Administrative Code 13:69O-1.3(k) required the Company to maintain separate New Jersey bank accounts to primarily ensure the security of funds held in patrons' internet gaming accounts. New Jersey Administrative Code 13:69O-1.3(k) now permits authorized internet gaming or online sports wagering operators to maintain the bank accounts. The Company no longer maintains the bank accounts as its third party internet gaming and online sports operators have elected to maintain the required bank accounts.

Accounts Receivable, Net, and Credit Risk

Accounts receivable, net consist primarily of casino, hotel and other receivables, net of an estimated loss reserve. Casino receivables are the primary financial instruments that could potentially subject the Company to concentrations of credit risk. Credit is issued by the Company to the customer (as credit markers) in exchange for gaming chips at the casino as permitted by DGE regulations. The Company issues credit to approved casino customers following background checks and investigations of creditworthiness. At June 30, 2026 and 2025, approximately 66% and 69% of the Company's gross accounts receivable related to casino receivables for each period, respectively.

Accounts receivable are typically noninterest bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible. An estimated loss reserve is maintained to reduce the Company's receivables to their expected realization. The loss reserve is estimated based on specific review of customer accounts, as well as historical collection experience and current economic and business conditions. Recoveries of accounts previously written off are recorded when received. Management believes that as of June 30, 2026, no significant concentrations of credit risk existed for which a loss reserve had not already been recorded.

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

Activity for the estimated loss reserve is as follows:

	June 30,	
	2026	2025
Balance at beginning of period	\$ 16,863	\$ 19,077
Provision for credit losses	2,276	679
Write-offs	(1,792)	(3,367)
Balance at end of period	<u>\$ 17,347</u>	<u>\$ 16,389</u>

Inventories

Inventories consist primarily of food and beverage and retail items and are stated at the lower of cost or net realizable value. Cost is determined using the average cost method. Provisions are made, as necessary, to reduce excess or obsolete inventories to their net realizable value.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or, for leasehold improvements, over the shorter of the asset's useful life or term of the lease.

The estimated useful lives of the Company's major components of property and equipment are:

Building and improvements	10 through 30 years
Furniture and equipment	3 through 10 years

Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred.

The Company evaluates the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. For an asset that is to be disposed of, the Company recognizes the asset at the lower of carrying value or fair market value, less costs of disposal, as estimated based on comparable asset sales, solicited offers, or a discounted cash flow model. For a long-lived asset to be held and used, the Company reviews the asset for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The estimated undiscounted future cash flows of the asset are then compared to the carrying value of the asset. The asset is not impaired if the undiscounted future cash flows exceed its carrying value. If the carrying value exceeds the undiscounted future cash flows, then an impairment charge is recorded, typically measured using a discounted cash flow model, which is based on the estimated future results of the relevant reporting unit discounted using the Company's weighted-average cost of capital and market indicators of terminal year free cash flow multiples. If an asset is under development, future cash flows include remaining construction costs. There were no impairment losses recognized in the consolidated statements of income during the six months ended June 30, 2026 and 2025.

Revenue Recognition

The Company's revenue from contracts with customers consists of casino wagers, hotel room sales, food and beverage transactions, entertainment shows, and retail transactions.

The transaction price for a casino wager is the difference between gaming wins and losses ("net win"). In certain circumstances, the Company offers discounts on markers, which are estimated based upon industry practice, and recorded as a reduction of casino revenue. The Company accounts for casino revenue on a portfolio basis given the similar characteristics of wagers by recognizing net win per gaming day versus on an individual wager basis.

For casino wager contracts that include complimentary goods and services provided by the Company to gaming patrons on a discretionary basis to incentivize gaming, the Company allocates revenue to the goods or services delivered based upon stand-alone selling price ("SSP"). Discretionary complimentary items provided by the Company

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

and supplied by third parties are recognized as an operating expense. The Company accounts for complimentary items on a portfolio basis given the similar characteristics of the incentives by recognizing redemption per gaming day.

For casino wager contracts that include incentives earned by customers under the Company's loyalty program, the Company allocates a portion of net win based upon the SSP of such incentive (less estimated breakage). This allocation is deferred and recognized as revenue when the customer redeems the incentive. When redeemed, revenue is recognized in the department that provides the goods or services. Redemptions of loyalty incentives at third party outlets are deducted from the loyalty liability and amounts owed are paid to the third party, with any discount received recorded as other revenue. After allocating revenue to other goods and services provided as part of casino wager contracts, the Company records the residual amount to casino revenue.

The transaction price of hotel rooms, food and beverage, and retail contracts is the net amount collected from the customer for such goods and services. The transaction price for such contracts is recorded as revenue as the good or service is transferred to the customer over their stay at the hotel or when the delivery is made for the food and beverage or retail product.

Sales and usage-based taxes are excluded from revenues. For some arrangements, the Company acts as an agent in that it arranges for another party to transfer goods and services, which primarily include certain of the Company's entertainment shows as well as customer rooms arranged by online travel agents.

Contract and Contract-Related Liabilities

There may be a difference between the timing of cash receipts from the customer and the recognition of revenue, resulting in a contract or contract-related liability. The Company generally has three types of liabilities related to contracts with customers: (1) outstanding chip liability; which represents the amounts owed in exchange for gaming chips held by a customer, (2) loyalty program obligations, which represents the deferred allocation of revenue relating to loyalty program incentives earned, as discussed above; and (3) customer advances and other. Customer advances and other consist primarily of funds deposited by customers before gaming play occurs ("casino front money") and advance payments on goods and services yet to be provided, such as advance ticket sales and deposits on rooms and convention space, or for unpaid wagers. These liabilities are generally expected to be recognized as revenue within one year of being purchased, earned, or deposited and are recorded within accrued expenses and other current liabilities on the Company's consolidated balance sheets.

Deferred Revenue

Proceeds from entertainment tickets sold in advance of performances and deposits for future hotel occupancy, convention space or food and beverage services are recognized 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.

Gaming Taxes

The Company is subject to an annual tax assessment based on 8% of its land-based gross gaming revenues and 8.5% of its land-based sports betting revenues. Prior to July 1, 2025, its online gaming and online sports betting gross revenues were taxed at 15% and 13%, respectively. Effective July 1, 2025, its online gaming and online sports betting gross revenues are subject to a 19.75% tax rate. These gaming taxes, other than those reimbursed by the Company's third-party branded online gaming website operators and retail sports wagering lounge operator, are recorded as a casino expense in the consolidated statements of income. The Company recorded gaming tax expense of \$9,978 and \$9,455 during the three months ended June 30, 2026 and 2025, respectively, and \$17,986 and \$18,024 during the six months ended June 30, 2026 and 2025, respectively.

Casino Reinvestment Development Authority ("CRDA") Obligations

Pursuant to the New Jersey Casino Control Act ("Casino Control Act"), as a casino licensee, the Company is assessed an amount equal to 1.25% of its land-based gross gaming revenues. This assessment is made in lieu of an Investment Alternative Tax ("IAT") equal to 2.5% of land-based gross gaming revenues. The Casino Control Act also provides for an assessment equal to 2.5% of the Company's online gross gaming revenues, which is made in lieu of an IAT equal to 5% of online gross gaming revenues. The Company is required to make quarterly payments to the CRDA to satisfy its investment obligations. The Company is reimbursed by its third-party branded online gaming website operators and retail sports wagering lounge operator for the portion of the IATs related to online gaming and the retail

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
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sports lounge. Pursuant to a provision contained within legislation enacted to address Atlantic City's fiscal matters commonly referred to as the payment in lieu of taxes (PILOT) law, these funds are to be used for the purposes of paying debt service on bonds issued by the City of Atlantic City prior to and after the date of the PILOT law. These provisions expire as of December 31, 2026. The Company recorded IAT expense of \$1,768 and \$1,741 during the three months ended June 30, 2026 and 2025, respectively, and \$1,829 and \$2,046 during six months ended June 30, 2026 and 2025, respectively.

Loss Contingencies

There are times when nonrecurring events may occur that require management to consider whether an accrual for a loss contingency is appropriate. Accruals for loss contingencies typically relate to certain legal proceedings, customer and other claims, and litigation. The Company determines whether an accrual for a loss contingency is appropriate by assessing whether a loss is deemed probable and can be reasonably estimated. The Company analyzes its legal proceedings and other claims based on available information to assess potential liability. The Company develops its views on estimated losses in consultation with outside counsel handling its defense in these matters, which involves an analysis of potential results assuming a combination of litigation and settlement strategies. See Note 12.

Income Taxes

The Company is a disregarded entity for federal and state income tax purposes. The accompanying consolidated financial statements do not include a provision for income tax since any income or loss is included in the financial results of the Company's sole member, BW Holdings and HR Tristate in 2026 and 2025, respectively.

Advertising Expense

Advertising costs are expensed as incurred or the first time the advertising takes place. Advertising costs are included in general, administrative and other expenses in the consolidated statements of income and totaled \$1,701 and \$1,983 during the three months ended June 30, 2026 and 2025, respectively, and \$3,323 and \$3,629 during the six months ended June 30, 2026 and 2025, respectively.

NOTE 3 – ONLINE GAMING AND SPORTS WAGERING

The Company holds a sports wagering license and an internet gaming permit, both of which are issued by the DGE. The sports wagering license allows the Company to operate a retail sports wagering lounge located on its property and up to three individually branded websites offering online sports wagering. The internet gaming permit allows the Company to utilize up to five individually branded websites to offer internet gaming.

Online Gaming and Retail Sportsbook Services Agreement

On March 8, 2023, the Company entered into an Online Gaming and Retail Sportsbook Services Agreement with Seminole Hard Rock Digital, LLC ("SHRD") and HR Atlantic City, LLC ("HR Atlantic City"), a part-owner of HR Tristate, pursuant to which SHRD will (i) develop, market, operate, and brand online sportsbook games, online poker games and online casino games in New Jersey, and (ii) develop, market, operate and brand the Hard Rock Hotel & Casino sportsbook in Atlantic City. The Online Gaming and Retail Sportsbook Services Agreement became effective on January 1, 2023.

The Company receives a percentage share of the revenues generated by the online sportsbook games, online poker games, online casino games and the retail sportsbook, with a minimum annual revenue guarantee. The percentage share of revenues is received by the Company on a quarterly basis. If the annual percentage share of revenues is less than the minimum annual revenue guarantee, the difference is received by the Company no later than 135 days subsequent to December 31 each year. The percentage share of revenues earned by the Company is included within other revenue in the consolidated statements of income. In addition, the Company receives reimbursement for certain expenses incurred in connection with Online Gaming and Retail Sportsbook Services Agreement.

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

Active Online Gaming and Online Sports Wagering Skins

The table below provides a brief summary of the two internet gaming skins and two sports wagering skins in use as of June 30, 2026:

Skin	Affiliate/Owner/Operator of Skin	Operation Commencement Date	Internet Gaming or Sports Wagering	Boardwalk 1000, LLC Revenue Recognition
Hard Rock Bet	SHRD	January 2023	Both	Contractual Payments
Bet365	Hillside New Jersey	August 2019	Both	Contractual Payments

www.hardrockbet.com

Pursuant to the Online Gaming and Retail Sportsbook Services Agreement, effective January 1, 2023, SHRD markets, operates and brands the online gaming site, www.hardrockbet.com. This website features sportsbook games, online poker games and online casino games. Patrons have the opportunity to participate in community jackpots and to be rewarded with both online and on-property incentives. Patrons also have the opportunity to participate in a variety of promotions. All participants must be 21 years of age or older and be physically located in the State of New Jersey to play. The Company receives a share of the revenues generated by the online sportsbook games, online poker games, and online casino games. The share of revenues received by the Company is included within other revenue in the consolidated statements of income. In addition, the Company receives reimbursement for certain expenses incurred in connection with Online Gaming and Retail Sportsbook Services Agreement. Such reimbursements are recorded as a reduction to the expenses incurred.

www.nj.bet365.com

The Company entered into an Online Gaming Operations Agreement with Hillside (New Jersey) LLC (“bet365”) pursuant to which bet365 hosts, manages, operates, and supports the online gaming site, www.nj.bet365.com. This website commenced operations in August 2019 and features a variety of slot game options and sports betting. Patrons have the opportunity to participate in community jackpots and to be rewarded with online incentives, as well as, have the opportunity to participate in a variety of promotions. All participants must be 21 years of age or older and be physically located in the State of New Jersey to play. The Company receives royalty fees under its Online Gaming Operations Agreement with bet365. Such royalty fees are recognized when earned and are included within other revenue in the consolidated statements of income. In addition, the Company receives reimbursement for certain expenses incurred in connection with its Online Gaming Operations Agreement with bet365. Such reimbursements are recorded as a reduction to the expenses incurred.

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

NOTE 4 – RECEIVABLES AND PATRONS’ CHECKS

Receivables and patrons’ checks consist of the following:

	June 30,	
	2026	2025
Casino receivables, net of an allowance for doubtful accounts (\$17,266 in 2026 and \$16,334 in 2025)	\$ 23,047	\$ 16,113
Hotel receivables, net of an allowance for doubtful accounts (\$81 in 2026 and \$55 in 2025)	2,750	2,749
Due from related parties (see Note 3 and Note 11)	8,291	987
Online gaming receivables	4,083	3,040
Other	8,981	9,477
Receivables and patrons' checks, net	<u>\$ 47,152</u>	<u>\$ 32,366</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2026	2025
Land	\$ 31,600	\$ 31,600
Building and improvements	437,129	425,723
Furniture and equipment	224,991	219,401
Construction in progress	17,249	3,210
Total property and equipment	710,969	679,934
Less accumulated depreciation	(306,458)	(277,146)
Property and equipment, net	<u>\$ 404,511</u>	<u>\$ 402,788</u>

Depreciation expense was \$8,459 and \$8,079 during the three months ended June 30, 2026 and 2025, respectively, and \$16,689 and \$15,869 during the six months ended June 30, 2026 and 2025, respectively.

Construction in progress presented in the table above primarily relates to costs capitalized in connection with major improvements that have not yet been placed into service, and accordingly, such costs are not yet being depreciated.

NOTE 6 – OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	June 30,	
	2026	2025
Accrued payroll and related expenses	\$ 15,505	\$ 16,416
Accrued interest	79	89
Accrued insurance and legal reserves	6,206	5,916
Accrued expenses and other liabilities	5,709	6,636
Other accrued expenses	<u>\$ 27,499</u>	<u>\$ 29,057</u>

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

NOTE 7 – OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	June	
	2026	2025
Casino-related liabilities	\$ 25,096	\$ 21,299
Deferred revenue	8,460	8,943
Due to related parties (see Note 11)	5,647	52,932
Other	4,478	5,084
Online gaming related liabilities	-	9,850
Other current liabilities	\$ 43,681	\$ 98,108

NOTE 8 – LEASES

The Company leases property and land from unrelated parties under operating lease agreements that have initial terms ranging from 2 to 15 years.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term.

The components of lease expense for the three and six months ended June 30, 2026 and 2025, were as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Operating lease cost	\$ 326	\$ 296	\$ 652	\$ 536
Short-term lease cost	1,209	1,268	2,064	2,259
Total lease expense	<u>\$ 1,535</u>	<u>\$ 1,564</u>	<u>\$ 2,716</u>	<u>\$ 2,795</u>

The Company is the lessor to certain retail companies for space with terms ranging from three to eight years. All lessor leases were determined to be operating leases. Future undiscounted cash flows to be received on an annual basis as of June 30, 2026 are as follows:

<u>Year ending December 31,</u>	
2026	\$ 674
2027	1,300
2028	600
2029	31
Total minimum rental income	<u>\$ 2,605</u>

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

NOTE 9 – DEBT

Debt consisted of the following as of June 30, 2026 and 2025:

	June 30,	
	2026	2025
Term Loan	\$ 383,875	\$ 408,775
Revolving Credit Facility	10,000	-
Unamortized debt financing costs	(10,349)	(13,046)
Term Loan and Revolving Credit Facility, net	383,526	395,729
Less: Current portion of long-term debt - External	(24,900)	(24,900)
Long-term debt - External	\$ 358,626	\$ 370,829

Loan Agreement

On August 30, 2017, the Company entered into a Loan Agreement (the “Loan Agreement”) with Hard Rock Atlantic City Lender, LLC (“HRAC Lender”). HRAC Lender is an affiliate of certain members of HR Tristate. The Loan Agreement consisted of a term loan in the principal amount of \$400,000 (the “Loan”). The Loan accrued interest at an annual rate of 6% (“Loan Rate”). On August 30, 2017, a noncash loan origination fee of \$8,000 (2% of the Loan) was charged by HRAC Lender and applied to the outstanding principal amount of the Loan per the terms of the Loan Agreement. The Loan was secured by a first priority lien on all of the Company’s personal and real property and was guaranteed by HR Tristate.

The period which began on August 30, 2017, and ended on February 28, 2019, is defined as the “PIK Interest Period.” During the PIK Interest Period, all interest was paid by the Company in kind by having such interest added to and automatically becoming a part of the principal amount of the Loan. During the PIK Interest Period, a total of \$37,977 of interest expense was paid in kind.

On July 13, 2022, the Company and HRAC Lender entered into a Third Loan Agreement Modification Agreement (the “Third Modification Agreement”). Under the terms of the Third Modification Agreement, the Company and HRAC Lender agreed to amend and restate the Loan Agreement’s definition of maturity date from July 29, 2022 to May 1, 2024 (the “Maturity Date”).

On April 15, 2024, the Company and HRAC Lender entered into a Fourth Loan Agreement Modification Agreement (the “Fourth Modification Agreement”). Under the terms of the Fourth Modification Agreement, the Company and HRAC Lender agreed to amend and restate the Maturity Date to May 1, 2025. As noted in the section Revolving Credit and Term Loan Agreement and Loan Agreement Refinancing, the Loan Agreement was extinguished and discharged on March 31, 2025.

Revolving Credit and Term Loan Agreement and Loan Agreement Refinancing

On March 31, 2025, the Company entered into a Revolving Credit and Term Loan Agreement (the “Term Loan Agreement”) with a consortium of banks, financial institutions and other entities (the “Lenders”). The Term Loan Agreement consists of a \$415,000 term loan (the “Term Loan”) and a \$10,000 Revolving Credit Facility (the “Revolver”). The Revolver was undrawn at the closing. The Term Loan Agreement bears interest based on the secured overnight financing rate (“SOFR”) for a term of one, three or six months at the Company’s election, plus an applicable margin, and, depending on the SOFR term elected, is payable in one-month or three-month intervals. The Term Loan is subject to annual repayments of 6% of the initial Term Loan amount for the first two years and annual repayments of 7.5% of the initial Term Loan amount over the remaining three years, payable in quarterly installments. The Term Loan Agreement matures on March 31, 2030 and is secured by a first priority lien on substantially all of the Company’s personal and real property. In addition to other customary covenants for credit facilities of this type, the Term Loan Agreement restricts the ability of the Company to make certain distributions prior to achieving a specified net leverage ratio (and in any event subject to no default under the terms of the Term Loan Agreement).

BOARDWALK 1000, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

Additionally, the Term Loan Agreement requires the Company to maintain compliance with certain financial ratios on a quarterly basis. The Company was in compliance with the covenants as of June 30, 2026.

On April 1, 2026, the Company borrowed \$10,000 under the Revolver. The Company paid interest on the Term Loan Agreement totaling \$14,553 during the six months ended June 30, 2026. As of June 30, 2026, there was \$383,875 outstanding under the Term Loan and \$10,000 outstanding under the Revolver.

The Company used the net proceeds from the Term Loan and \$24,924 of cash on hand to repay a portion of the Loan Agreement. The remaining \$17,682 balance under the Loan Agreement was assigned to and assumed by and became solely an obligation of HR Tristate and was accounted for as a common-control transaction and recognized in member's deficit. This obligation is non-recourse to the Company.

In connection with the Term Loan, the Company incurred debt financing costs of \$13,788, of which \$747 was incurred during 2024 and are represented as a non-cash financing transaction on the 2025 consolidated statement of cash flows for the six months ended June 30, 2026. The debt financing costs are recorded in long-term debt, net, and are being amortized through March 31, 2030, the maturity date of the Term Loan Agreement. The Company recorded amortization of \$689 and \$685 during the three months ended June 30, 2026 and 2025, respectively, and \$1,380 and \$685 during the six months ended June 30, 2026, which is included within interest expense-external in the consolidated statements of income.

Future minimum debt repayments required under the Term Loan as of June 30, 2026 are as follows:

<u>Year Ending December 31,</u>	
2026	\$ 12,450
2027	29,569
2028	31,125
2029	31,125
2030	289,606
Total	<u>\$ 393,875</u>

Promissory Notes – HR Tristate

During 2018, HR Tristate loaned the Company \$77,400 (the "Promissory Notes") to fund the payment of costs associated with the construction of the Hard Rock Hotel & Casino. The Promissory Notes accrued interest at 8% per annum. Interest payments were due on May 15 and October 15 of each year. The Company made interest payments in accordance with the amended and restated Promissory Notes.

On July 13, 2022, HR Tristate and the Company agreed to amend and restate the Promissory Notes' maturity date from July 29, 2022 to the earlier of (i) May 1, 2024, and (ii) the date upon which any indebtedness is issued or incurred to refinance, refund, renew or replace all or any portion of the obligations under the Loan Agreement, as amended (such earlier date, the "Promissory Notes' Maturity Date").

On April 15, 2024, HR Tristate and the Company agreed to amend and restate the Promissory Notes' Maturity Date to the earlier of (i) May 1, 2025, and (ii) the date upon which any indebtedness is issued or incurred to refinance, refund, renew or replace all or any portion of the obligations under the Loan Agreement, as amended.

On March 31, 2025, in connection with the Term Loan Agreement with the Lenders, the Company agreed that the Promissory Notes between the Company and HR Tristate were no longer obligations of the Company and accordingly were accounted for as a common-control transaction and recognized in member's deficit. Therefore, as of June 30, 2026 and 2025, the Company's debt for borrowed money consisted only of the Revolving Credit and Term Loan Agreement described above.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)
(In thousands)

NOTE 10 – OTHER LIABILITIES

Other liabilities consisted of the following:

	June 30,	
	2026	2025
Due to related parties (see Note 11)	\$ 57,196	\$ -
Lease liabilities	41	1,391
Other liabilities	\$ 57,237	\$ 1,391

NOTE 11 - RELATED PARTY TRANSACTIONS

The Company engages in certain transactions with affiliated entities.

Hotel & Casino Management Agreement

The Company and HR Atlantic City, a part-owner of HR Tristate, entered into a Hotel & Casino Management Agreement dated as of September 27, 2017 (the “Management Agreement”). Pursuant to the Management Agreement, HR Atlantic City manages, operates and promotes the business, operations, services, marketing and sales of the property for the benefit of the Company. HR Atlantic City manages certain facilities at the property which include, in part, a Hard Rock branded hotel, a Hard Rock branded casino, certain food and beverage facilities that are not leased or licensed to third parties, meeting, parking, conference and banquet facilities, a Hard Rock retail store and a Hard Rock Live entertainment venue (collectively, the “Managed Facilities”). Under the Management Agreement, HR Atlantic City is entitled to receive 2% of gross revenue of the Managed Facilities (the “Management Fee”), as well as an incentive management fee, which is calculated based upon a percentage of achieved earnings before interest expense, income taxes, depreciation, amortization, and management fees (“EBITDAM”), as defined in the Management Agreement.

On March 9, 2023, the Company and HR Atlantic City entered into a Second Amendment to the Management Agreement (the “Second Amendment”) which, among other things, updated the term of the Management Agreement and the calculation of management fees.

Pursuant to the Second Amendment, gross revenues derived from Hard Rock branded online gaming and non-managed retail sportsbook activities are excluded from the Management Fee and the calculation of the incentive management fee was revised.

Further, the initial term of the Management Agreement was extended so that it expires at midnight on October 13, 2033, unless sooner terminated or extended (“Term”). The Term may be extended by HR Atlantic City for one successive but independent term of ten years commencing on the day immediately following the expiration of the initial Term (“Extension Term”) so long as the investors have received an average return on investment equal to or exceeding 10% per year (“Preferred Return”) as of the expiration date of the initial Term.

Amounts due to HR Atlantic City were \$59,120 and \$49,487 as of June 30, 2026 and 2025, respectively, and primarily related to management fees. Amounts due to HR Atlantic City are included in other current liabilities and other liabilities in the accompanying consolidated balance sheets.

In addition, the Company incurs expenses with other affiliated entities, principally related to the Company’s hotel room reservation center and other support services. The Company recognized \$1,228 and \$1,555 of expense associated with such services during the three months ended June 30, 2026 and 2025, respectively, and \$2,442 and \$3,066 during the six months ended June 30, 2026 and 2025, respectively. Amounts due to such affiliates were \$2,705 and \$1,068 of June 30, 2026 and 2025, respectively, and are included other current liabilities in the accompanying consolidated balance sheets.

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(Unaudited)
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Online Gaming and Retail Sportsbook Services Agreement

On March 8, 2023, the Company entered into an Online Gaming and Retail Sportsbook Services Agreement with SHRD and HR Atlantic City. See Note 3. As of June 30, 2026, the net amount due from SHRD was \$7,923 and is included in receivables and patrons' checks in the accompanying 2026 consolidated balance sheet. As of June 30, 2025, the net amount due to SHRD was \$1,694 and is included in other current liabilities in the accompanying 2025 consolidated balance sheet.

Rocktane Gas & Wash Lease Agreement

The Company leases Rocktane Gas & Wash, a fuel, convenience store and car wash facility to AC Gas Station LLC, a subsidiary of HR Tristate. The lease expires on June 27, 2028 and may be renewed for one ten-year period. The Company receives rental income based on a percentage of Rocktane Gas & Wash's gross sales, as defined in the lease. Rental income was \$120 and \$92 during the three months ended June 30, 2026 and 2025, respectively, and \$200 and \$175 during the six months ended June 30, 2026 and 2025, respectively, and is included in other revenue in the consolidated statements of income.

Other Related Party Transactions

As disclosed in Note 9, the Company had a Loan Agreement with HRAC Lender and had outstanding Promissory Notes from HR Tristate.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

New Jersey PILOT Law

On May 27, 2016, New Jersey enacted the Casino Property Tax Stabilization Act (the "PILOT Law") which: (i) exempted Atlantic City casino gaming properties from ad valorem property taxation in exchange for an agreement to make annual payment in lieu of tax payments ("PILOT Payments") to the City of Atlantic City, (ii) made certain changes to the New Jersey Tourism District Law and (iii) redirected certain IAT payments to assist in the stabilization of the City of Atlantic City's finances. Under the PILOT Law, commencing in 2017 and for a period of ten (10) years, each Atlantic City casino gaming property (as defined in the PILOT Law) is required to pay its pro rated share 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. Commencing in 2018 and for each year thereafter, the aggregate amount of PILOT Payments owed will be determined based on a sliding scale of Atlantic City casino industry GGR from the applicable prior year, subject to certain adjustments. The aggregate amount of PILOT Payments owed to the City of Atlantic City by Atlantic City casino gaming properties for calendar years 2026 and 2025 is \$119.1 million and \$116.7 million, respectively. The Company recognized \$4,002 and \$3,913 of expense during the three months ended June 30, 2026 and 2025, respectively, and \$8,005 and \$7,832 during the six months June 30, 2026 and 2025, respectively, representing its proportionate share of the 2026 and 2025 PILOT Payments.

On December 21, 2021, the PILOT Law was amended (the "Amendment"). The Amendment made a number of changes to the calculation and distribution of PILOT Payments owed by casino properties for calendar years 2022 through 2026.

Two lawsuits were filed challenging the legality of the Amendment in New Jersey Superior Court, Atlantic County, Law Division (the "Court").

In the first lawsuit, Atlantic County and several municipalities (the "County") filed a lawsuit against the State of New Jersey alleging that the Amendment violated a consent order between the parties dated June 18, 2018. On February 25, 2022, the Court awarded the County certain monetary damages. The State appealed the award. On October 21, 2024, the Appellate Court vacated the award of monetary damages and remanded the issue of the consent order. In early April 2025, Atlantic County and the State of New Jersey entered into a settlement agreement related to the casino

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PILOT legislation. The \$15 million settlement is in the form of a lump sum to Atlantic County in 2025 and the continuation of quarterly casino payments through 2026. The settlement agreement had no impact on the Company.

In the second lawsuit, a group of taxpayers challenged the original PILOT Law and the Amendment as an unconstitutional exercise of legislative power. On August 29, 2022, the Court upheld the original PILOT Law, but found the Amendment unconstitutional (the “August 2022 Order”). The State of New Jersey filed a Motion for a Stay of the Court’s August 2022 Order and on October 14, 2022, the Court granted such relief for a period of ninety days. The State of New Jersey has appealed the August 2022 Order. On October 21, 2024, the Appellate Court reversed the order finding the Amendment unconstitutional. This decision has no impact on the Company.

The Company continues to monitor the status of the PILOT Law and the Amendment.

Legal Matters

The Company is party from time to time to legal actions that arise in the normal course of business. As with all legal proceedings, no assurance can be provided as to the outcome of these matters. As of June 30, 2026, the Company may have potential liability arising from a class action lawsuit filed on March 10, 2026, relating to employee wage and hour laws seeking to recover unpaid minimum wages allegedly owed to the plaintiff and other similarly situated workers employed by the Company. The amount of claimed damages is undetermined at this time but could result in settlements or damages that could significantly impact the Company’s business and results of operations.

Beach Bar Business Interruption

During early 2024, severe winter storms caused massive beach erosion and destroyed the structures comprising the Company’s beach bar. Due, in part, to the timing of state and federal beach replenishment projects, the Company has been unable to rebuild the beach bar. In connection with the operational disruption of the beach bar in 2024 and 2025, the Company recognized \$1,200 of business interruption insurance during the quarter ended June 30, 2026. This amount is reflected as a reduction to General, Administrative and Other expense on the statements of income for the three and six months ended June 30, 2026.

NOTE 13 – EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Company is a participating employer in the Seminole Hard Rock Entertainment, Inc.’s Hard Rock FutureCare 401(k) plan, a retirement savings plan under Section 401(k) of the Internal Revenue Code. The plan covers certain of the Company’s nonunion employees and allows eligible employees to defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pretax basis through contributions to the plan. The Company recognized expense of \$447 and \$485 during the three months ended June 30, 2026 and 2025, respectively, and \$938 and \$965 during the six months ended June 30, 2026 and 2025, respectively. Such amounts are included in general, administrative and other costs in the consolidated statements of income.

Multiemployer Pension Plans

The Company participates in the multiemployer Adjustable Plan of the Unite Here National Retirement Fund, EIN 82-0994119/002 (the “Plan”). Per the latest available actuarial report dated January 1, 2025, the Plan was at least 80% funded. The Plan covers approximately 1,200 hotel, food and beverage, and other employees, who participate in a collective bargaining agreement with the Unite Here Local 54 union, which is effective through May 31, 2027. The contributions to the Plan were \$380 and \$465 during the months ended June 30, 2026 and 2025, respectively, and \$769 and \$863 during the six months ended June 30, 2026 and 2025, respectively, which are reflected in the accompanying consolidated statements of income.

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(Unaudited)
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The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company were to withdraw from the Plan, it may be obligated to contribute its share of any unfunded liability for vested benefits as of the last day of the plan year preceding the withdrawal.

The Company also participates in other multiemployer pension plans. The contributions to these plans were \$180 and \$171 during the three months ended June 30, 2026 and 2025, respectively, and \$363 and \$336 during the six months ended June 30, 2026 and 2025, respectively, which are reflected in the accompanying consolidated statements of income.

NOTE 14 - SUBSEQUENT EVENTS

There were no subsequent events that would require adjustments to or disclosures in the consolidated financial statements. The Company has evaluated subsequent events through August 13, 2026, the date these consolidated financial statements were issued.