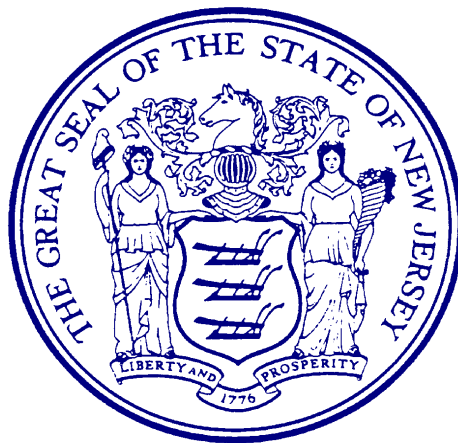


DGMB CASINO, LLC
QUARTERLY REPORT

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**

DGMB CASINO, LLC

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	\$17,965	\$34,633
2	Short-Term Investments.....			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2026, \$5,285 2025, \$5,151).....	2, 3, 9	19,945	18,276
4	Inventories	2	1,539	1,547
5	Other Current Assets.....	4	2,744	3,180
6	Total Current Assets.....		42,193	57,636
7	Investments, Advances, and Receivables.....	5	715	715
8	Property and Equipment - Gross.....	2, 6	235,891	231,162
9	Less: Accumulated Depreciation and Amortization.....	6	(112,475)	(104,602)
10	Property and Equipment - Net.....	6	123,416	126,560
11	Other Assets.....	2, 7	19,692	20,174
12	Total Assets.....		\$186,016	\$205,085
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$5,979	\$3,013
14	Notes Payable.....	8	10,000	10,000
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	8	3,024	3,317
17	Income Taxes Payable and Accrued.....		28,776	24,778
18	Other Accrued Expenses.....	2, 9, 10		
19	Other Current Liabilities.....	2	8,925	13,291
20	Total Current Liabilities.....		56,704	54,399
	Long-Term Debt:			
21	Due to Affiliates.....	9	0	0
22	External.....	8	33,704	36,624
23	Deferred Credits		2,684	2,808
24	Other Liabilities.....	2	20,334	20,948
25	Commitments and Contingencies.....	12	0	0
26	Total Liabilities.....		113,426	114,779
27	Stockholders', Partners', or Proprietor's Equity.....		72,590	90,306
28	Total Liabilities and Equity.....		\$186,016	\$205,085

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

DGMB CASINO, LLC

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.....	2	\$42,424	\$47,446
2	Rooms.....	2	14,139	13,140
3	Food and Beverage.....	2	7,825	7,720
4	Other.....	2	12,606	21,868
5	Net Revenue.....	11	76,994	90,174
	Costs and Expenses:			
6	Casino.....	2	28,074	28,821
7	Rooms, Food and Beverage.....		16,527	16,402
8	General, Administrative and Other.....	2	31,042	31,451
9	Total Costs and Expenses.....		75,643	76,674
10	Gross Operating Profit.....		1,351	13,500
11	Depreciation and Amortization.....	6	3,946	3,931
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		0	0
14	Income (Loss) from Operations.....		(2,595)	9,569
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....	9	0	0
16	Interest Expense - External.....	8	(2,159)	(2,276)
17	CRDA Related Income (Expense) - Net.....	5	(925)	(958)
18	Nonoperating Income (Expense) - Net.....	2	74	92
19	Total Other Income (Expenses).....		(3,010)	(3,142)
20	Income (Loss) Before Taxes		(5,605)	6,427
21	Provision (Credit) for Income Taxes.....		0	0
22	Net Income (Loss).....		(\$5,605)	\$6,427

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

DGMB CASINO, LLC

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.....	2	\$23,968	\$25,615
2	Rooms.....	2	8,263	7,702
3	Food and Beverage.....	2	4,088	3,996
4	Other.....	2	3,270	12,384
5	Net Revenue.....		39,589	49,697
	Costs and Expenses:			
6	Casino.....	2	14,550	15,104
7	Rooms, Food and Beverage.....		8,734	8,722
8	General, Administrative and Other.....	2, 13	15,832	16,014
9	Total Costs and Expenses.....		39,116	39,840
10	Gross Operating Profit.....		473	9,857
11	Depreciation and Amortization.....	6	1,972	1,952
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		0	0
14	Income (Loss) from Operations.....		(1,499)	7,905
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....	9	0	0
16	Interest Expense - External.....	8	(1,165)	(1,143)
17	CRDA Related Income (Expense) - Net.....	5	(509)	(519)
18	Nonoperating Income (Expense) - Net.....	2, 13	48	43
19	Total Other Income (Expenses).....		(1,626)	(1,619)
20	Income (Loss) Before Taxes		(3,125)	6,286
21	Provision (Credit) for Income Taxes.....		0	0
22	Net Income (Loss).....		(\$3,125)	\$6,286

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

DGMB CASINO, LLC

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

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

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	Special Capital Contribution (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2024.....		\$35,078	(\$11,471)	\$55,552	\$79,159
2	Net Income (Loss) - 2025.....			36		36
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	Special Capital Contribution				2,500	2,500
8						0
9						0
10	Balance, December 31, 2025.....		35,078	(11,435)	58,052	81,695
11	Net Income (Loss) - 2026.....			(5,605)		(5,605)
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....			(3,500)		(3,500)
15	Prior Period Adjustments.....					0
16	Special Capital Distribution					0
17						0
18						0
19	Balance, June 30, 2026.....		\$35,078	(\$20,540)	\$58,052	\$72,590

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

DGMB CASINO, LLC
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..		(\$371)	(\$69,013)
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	
3	Proceeds from the Sale of Short-Term Investments		0	
4	Cash Outflows for Property and Equipment.....	2, 6	(2,479)	(2,187)
5	Proceeds from Disposition of Property and Equipment.....		0	
6	CRDA Obligations	5	(860)	(875)
7	Other Investments, Loans and Advances made.....		0	
8	Proceeds from Other Investments, Loans, and Advances		0	
9	Cash Outflows to Acquire Business Entities.....		0	0
10	CRDA Reimbursement		0	
11			0	
12	Net Cash Provided (Used) By Investing Activities.....		(3,339)	(3,062)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt	8	0	2,500
14	Payments to Settle Short-Term Debt.....		(53)	(57)
15	Proceeds from Long-Term Debt		0	
16	Costs of Issuing Debt.....		(358)	
17	Payments to Settle Long-Term Debt.....	8	(1,500)	(1,606)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	4,720
19	Purchases of Treasury Stock.....		0	
20	Payments of Dividends or Capital Withdrawals.....		(3,500)	0
21	Net borrowings from (to) related party		0	
22				
23	Net Cash Provided (Used) By Financing Activities.....		(5,411)	5,557
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(9,121)	(66,518)
25	Cash and Cash Equivalents at Beginning of Period.....		27,086	101,151
26	Cash and Cash Equivalents at End of Period.....		\$17,965	\$34,633
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....	8	\$1,834	\$1,899
28	Income Taxes.....	2	\$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.

DGMB CASINO, LLC

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).....		(\$5,605)	\$6,427
30	Depreciation and Amortization of Property and Equipment...	2, 6	3,954	3,939
31	Amortization of Other Assets.....		(8)	(8)
32	Amortization of Debt Discount or Premium.....		219	220
33	Deferred Income Taxes - Current		0	
34	Deferred Income Taxes - Noncurrent		0	
35	(Gain) Loss on Disposition of Property and Equipment.....		0	0
36	(Gain) Loss on CRDA-Related Obligations.....	5	925	958
37	(Gain) Loss from Other Investment Activities.....		0	
38	(Increase) Decrease in Receivables and Patrons' Checks	2, 3	5,411	673
39	(Increase) Decrease in Inventories	2	152	26
40	(Increase) Decrease in Other Current Assets.....	4	(530)	(740)
41	(Increase) Decrease in Other Assets.....		104	446
42	Increase (Decrease) in Accounts Payable.....		4,175	86
43	Increase (Decrease) in Other Current Liabilities		(9,132)	(68,428)
44	Increase (Decrease) in Other Liabilities		(36)	(12,612)
45	Decrease in Due from Affiliate / Receivables		0	0
46				
47	Net Cash Provided (Used) By Operating Activities.....		(\$371)	(\$69,013)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....	2, 6	(\$2,479)	(\$2,187)
49	Less: Capital Lease Obligations Incurred.....			
50	Cash Outflows for Property and Equipment.....	2, 6	(\$2,479)	(\$2,187)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$4,720
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	\$4,720

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

DGMB CASINO, LLC

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	87,452	\$7,965		
2	Food	90,791	2,857	150,839	2,911
3	Beverage	276,348	2,446	0	0
4	Travel			4,426	234
5	Bus Program Cash	866	61		
6	Promotional Gaming Credits	295,853	16,371		
7	Complimentary Cash Gifts	105	245		
8	Entertainment	2,452	88	38	5
9	Retail & Non-Cash Gifts			23,945	2,753
10	Parking			37,361	374
11	Other	1,649	33	10,155	249
12	Total	755,516	\$30,066	226,764	\$6,526

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	49,766	\$4,399		
2	Food	45,301	1,422	83,912	1,589
3	Beverage	146,601	1,286		
4	Travel			3,157	133
5	Bus Program Cash	721	51		
6	Promotional Gaming Credits	165,644	8,502		
7	Complimentary Cash Gifts	47	79		
8	Entertainment	1,078	37	30	4
9	Retail & Non-Cash Gifts			12,795	1,468
10	Parking			19,871	199
11	Other	834	17	6,044	102
12	Total	409,992	\$15,793	125,809	\$3,495

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

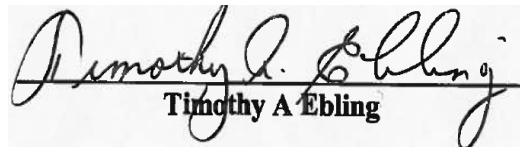
DGMB CASINO, LLC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE

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.

8/14/2026

Date



Timothy A Ebling

Vice President, CFO

Title

9194-11

License Number

On Behalf of:

DGMB CASINO, LLC

Casino Licensee

DGMB CASINO, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying financial statements have been prepared in accordance with the rules and regulations of the New Jersey Division of Gaming Enforcement (“DGE”) and include the accounts of DGMB Casino, LLC (the “Company”), a New Jersey limited liability company that was formed on August 30, 2010. The Company currently owns and operates Resorts Casino Hotel (“Resorts”). Resorts is a casino hotel operating in Atlantic City, New Jersey. The Company is wholly owned by DGMB Casino Holding, LLC (“Holding”), a Delaware limited liability company, through a 99.5% direct ownership and a .5 % indirect ownership through DGMB Casino SPE Corp. (“SPE”), a Delaware corporation, which is the managing member of the Company. On October 1, 2012, Holding admitted MGA Gaming NJ, LLC (MGA), a New Jersey limited liability company, as a non-managing member of Holding and 10% owner. MGA then entered into a management agreement for the management of the Company.

2. Summary of Significant Accounting Policies

Cash and Concentrations of Credit Risk

Cash includes cash in the bank and cash on the casino floor. The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2026, and 2025, the Company had approximately \$10.6 million and \$40.7 million, respectively, in excess of FDIC-insured limits.

Restricted Cash

Pursuant to NJAC 13:69O-1.3(k), a unique New Jersey bank account is maintained to segregate internet gaming patron’s funds on deposit, pending withdrawals, and active bets. Prior to June 30, 2025 New Jersey Regulation required Third Party Internet Gaming Companies affiliated with the Company to maintain these Cash deposits in bank accounts controlled by the Company. These deposits have historically been included in restricted cash with a related liability included in accrued expenses and other current liabilities on the accompanying balance sheets.

As of June 30, 2025, that is no longer a Regulatory requirement and one of the Third Party operators chose to move their cash deposits into accounts controlled by the Third Party. Other amounts included in restricted cash represent funds required to be set aside by a Minimum Balance Threshold contractual agreement relating to the Company’s letters of credit.

Reconciliation of Cash and Restricted Cash – The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported on the balance sheets that sum to the total of the same amounts shown on the statements of cash flows at June 30 (in thousands):

	<u>2026</u>	<u>2025</u>
Cash	\$ 11,142	\$ 22,935
Restricted Cash – Internet Gaming	10	4,801
Restricted Cash – Letters of Credit	6,191	6,897
Total Cash and Restricted Cash	<u>\$ 17,965</u>	<u>\$ 34,633</u>

Trade Receivables and Allowance for Credit Losses

Receivables consist primarily of amounts due from patrons and third-party processors, casino, hotel, related party, third party online operators, and other receivables. Receivables are typically non-interest bearing and are initially recorded at cost. Accounts outstanding longer than the contractual payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Company’s previous loss history, the customer’s current ability to pay its obligation to the Company, and condition of the general economy and the industry as a whole.

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at June 30, 2026 and 2025 because the composition of the trade receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar

DGMB CASINO, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Management does not provide an allowance for losses on receivables from third party online operators as they are contractual and of short duration. Accordingly, the allowance for credit losses at June 30, 2026 and 2025 totaled approximately \$5.2 million and \$5.1 million, respectively.

Deferred Revenue

Deferred revenue consists of amounts advanced from a third party and will be recognized in future periods as a component of other revenue. In connection with the sale of RDG by Holding, the company assumed a deferred revenue liability consisting of amounts advanced from a third party and will be recognized as revenue based upon various events and conditions through June 2026. The company had approximately \$3.7 million and \$3.9 million recorded as deferred revenue at June 30, 2026 and 2025, respectively, and is included in other liabilities on the accompanying balance sheets.

Inventories

Inventories, which consist primarily of food, beverage, and operating supplies, are stated at the lower of average cost or net realizable value. Cost is determined using the first-in, first-out ("FIFO") method.

Property and Equipment

Property and Equipment have been recorded at their estimated fair values and useful lives based on the application of purchase accounting in 2010. Additions to land, building, and equipment since the date of acquisition are stated at cost.

The Company capitalizes the costs of improvements that extend the life of the asset and expenses maintenance and repair costs as incurred. Gains or losses on the dispositions of land, buildings, or equipment are included in the determination of income.

Depreciation and amortization is provided using the straight-line method over the shorter of the estimated useful life of the asset or the related lease term, as follows:

Asset Class	Useful Life
Building and improvements	35-40 years
Furniture, fixtures, and equipment	3-7 years

The Company reviews the carrying value of property and equipment for impairment whenever events and changes in circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If undiscounted expected future cash flows were less than the carrying value, an impairment loss would be recognized equal to an amount by which the carrying value exceeds the fair value of the asset. The factors considered by the Company in performing this assessment include current operating results, trends, and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. No impairment of land, buildings or equipment was recognized during the six months ended June 30, 2026 and 2025.

Right-of-Use Assets and Lease Liabilities

Right-of-use ("ROU") assets from operating leases are amortized on the straight-line method over the shorter of the lease term or their respective estimated useful lives. Operating lease ROU asset amortization is included in selling, general, and administrative expenses in the statements of income.

Intangible Assets

The Company's indefinite-lived intangible asset includes a trade name valued at \$3.3 million at both June 30, 2026 and 2025, which is not subject to amortization but is tested for impairment annually, or more frequently upon the occurrence of an event or when circumstances indicate the amount associated with the trade name is greater than its fair value. A qualitative assessment of the indefinite-lived asset may be performed to determine whether it is necessary to perform the quantitative impairment test. The quantitative annual impairment test for the indefinite-lived intangible asset, if applicable, consists of a comparison of the fair value of the intangible asset with its carrying amount. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The fair value of the trade name is estimated using the relief from royalty method, a form of both the income approach

DGMB CASINO, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

and the market approach, which is a function of prospective revenue, the royalty rate that would hypothetically be charged by a licensor of an asset to an unrelated licensee, and a discount rate. No impairment was recognized for the six months ending June 30, 2026 and 2025.

Revenue Recognition

The company accounts for revenue recognition in accordance with the provisions of FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“Topic 606”), which provides a comprehensive revenue recognition model for all contracts with customers. The model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services.

The Company’s revenue contracts with customers consist of gaming wagers, lodging, food and beverage, entertainment and other transactions. The transaction price for a gaming wager contract is the difference between gaming wins and losses, not the total amount wagered. Gaming wager contracts involve two performance obligations for those customers earning points under the Company’s players’ club and a single performance obligation for customers who don’t participate in the program. The Company applies a practical expedient by accounting for its gaming contracts on a portfolio basis because such wagers have similar characteristics, and the Company reasonably expects the effects on the financial statements of applying the revenue recognition guidance to the portfolio to not differ materially from that which would result if applying the guidance to an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with loyalty points earned, the Company allocates an amount to the loyalty credit obligation based on the stand-alone selling price of the points earned. An amount is allocated to the gaming wager performance obligation using the residual approach because the stand-alone price for wagers is highly variable and no set established price exists for such wagers. The allocated revenue for gaming wagers is recognized when the wagers occur because all such wagers settle immediately.

Lodging, food and beverage, entertainment and other revenue are recognized at the time the goods or services are provided, and are recorded net of any sales, use, and other applicable taxes that are collected by the company at the point of sale. Additionally, these items include: (i) the actual amounts paid for such services (less any amounts allocated to unperformed performance obligations, such as players’ club points as described below); (ii) the value of players’ club points redeemed for such services; and (iii) the portion of the transaction price allocated to complimentary goods or services provided in conjunction with other revenue-generated activities.

Revenue generated from internet and sports wagering activities are recognized in Other Revenues in the accompanying financials. Under these agreements, the Company is paid a fixed percentage of the operator’s net gaming revenue, as defined, with some contractual annual minimums and maximums. All expenses associated with the third-party operations under the Company’s license are recognized under selling, general, and administrative within the accompanying financials. For the six months ended June 30, 2026 and 2025, we recognized revenue of \$9.0 million and \$18.2 million, respectively.

Cashback Liability

The Company provides incentives to its casino customers, based on levels of gaming activity, through its “Cash Back” marketing program. The incentives are in the form of points, which may be redeemed for wagers on slot machines. The Company estimates a liability for outstanding “Cash Back” incentives (those incentives which have been earned, but not redeemed by the customer), adjusted for an estimated redemption factor based on historical results. The ultimate redemption amount resulting from this marketing program could vary from the estimated liability based on actual redemption activity. The amount is recorded as a reduction in revenue in the statements of income. At June 30, 2026 and 2025, the “Cash Back” liability was \$0.2 million and is included in other accrued expenses in the accompanying balance sheets.

Loyalty Credit Obligation

The Company’s customer loyalty program offers incentives to gaming with the Company. Under the program, customers are able to accumulate, or bank, comp dollars over time that they may redeem at their discretion under the terms of the program. The comp dollars balance will be forfeited if the customer does not use their player card and earn points over a designated period from the time they were first earned. Because of the ability for customers to accumulate comps based on their past play, the Company has determined that the comps granted in conjunction with other earning activity represent a performance obligation. As a result, the transactions in which comps are earned, the Company allocates a portion of the transaction price to the comps that are earned based upon the relative standalone selling prices (“SSP”) of

DGMB CASINO, LLC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

the goods and services involved. This allocation results in a portion of the transaction price being deferred and presented as a loyalty credit obligation on the accompanying balance sheets. Any amounts allocated to the obligation are recognized as revenue when the comps are redeemed in accordance with the specific recognition policy of the activity. The value of the comps is determined by the SSP of the comps expected to be redeemed for complimentary goods or services. The liability is reduced by comps not expected to be redeemed (breakage) and/or expired comps. The cost of comps redeemed for complimentary goods or services is recorded as an expense of the applicable department. At June 30, 2026 and 2025, the bankable complimentary liability was approximately \$2.5 million and \$2.3 million, respectively, and is included in other accrued expenses on the accompanying balance sheets.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt on the balance sheet. Amortization of debt issuance costs is included in interest expense on the accompanying statements of income.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were \$1.5 million for both of the six months ended June 30, 2026 and 2025. Advertising expenses are included in general, administrative, and other expenses in the accompanying statements of income.

Gaming Tax

The Company remits to the State of New Jersey a tax equal to 8% of gross gaming revenue. Gaming taxes expensed for the six months ended June 30, 2026 and 2025 was approximately \$4.8 million and \$5.1 million, respectively. Gaming tax is included in casino expenses in the accompanying statements of income.

Entities Under Common Control

Management has elected an accounting policy alternative such that, when certain conditions exist, management does not apply variable interest entity guidance for assessing whether it should consolidate legal entities under common control. The Company has adopted this standard as management believes the presentation of the Company-only financial information is more relevant to the users of the financial statements.

Income Taxes

The Company is treated as a partnership for federal income tax purposes; therefore, federal income taxes are the responsibility of Holding and SPE. In New Jersey, casino partnerships are subject to state income taxes under the Casino Control Act; therefore, the Company is required to record New Jersey state income taxes.

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 recovered or 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 recognizes interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes.

The Company records uncertain tax positions in accordance with ASC 740 - *Income Taxes* on the basis of a two-step process in which (1) determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Generally, the statute of limitations for examination of the Company's tax returns is open for years ended December 31, 2021 through the current year.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires that the Company make estimates and assumptions that affect the reported amounts of assets

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and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Seasonal Factors

The Company's operations are subject to seasonal factors. Therefore, the results of operations for the six months ended June 30, 2026 and 2025 are not necessarily indicative of the results of operations for the full year.

Omitted Disclosures

In accordance with the DGE Financial Reporting guidelines, the Company has elected not to include certain disclosures that were made in the December 31, 2025 report. Accordingly, the following disclosures have been omitted: certain Multiemployer Benefit Plans, certain Income Tax disclosures, and Leases.

3. Receivables

Components of receivables were as follows at June 30, (in thousands):

	2026	2025
Gaming	\$ 6,663	\$ 7,245
Less: allowance for doubtful accounts	(5,215)	(5,092)
	1,448	2,153
Non-gaming:		
Hotel and related	697	806
Less: allowance for doubtful accounts	(70)	(59)
Tenant receivable	238	122
Regulatory and state taxes for Online Operations	15,319	12,303
Other receivables from Online Operations	671	1,071
Other	1,642	1,880
	18,497	16,123
Receivables, net	<u>\$ 19,945</u>	<u>\$ 18,276</u>

4. Other Current Assets

Components of other current assets were as follows at June 30, (in thousands):

	2026	2025
Prepaid insurance	\$ 406	\$ 711
Prepaid casino license	643	646
Prepaid maintenance agreements	714	787
Prepaid sewer	114	415
Prepaid miscellaneous	404	156
Other prepaid expenses and current assets	463	465
	<u>\$ 2,744</u>	<u>\$ 3,180</u>

5. Investments, Advances and Receivables

The New Jersey Casino Control Act provides, among other things, for an assessment of licensee equal to 1.25% of the Company's gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the Casino Reinvestments Development Authority ("CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, direct

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investments in approved CRDA projects may be donated to the CRDA or effective 2017, be used to fund the Payment in Lieu of Taxes Program (“the PILOT”). CRDA bonds have terms up to 50 years and bear interest at below-market rate.

Components of investments, advances and receivables were as follows at June 30, (in thousands):

	<u>2026</u>	<u>2025</u>
Deposits, net of valuation allowance of \$39 at June 30, 2026 and 2025.	\$ 77	\$ 77
CRDA Bonds, net of valuation allowance of \$6,015 at June 30, 2026 and 2025, respectively	638	638
	<u>\$ 715</u>	<u>\$ 715</u>

The Company records charges/(credits) to operations to reflect the estimated net realizable value of its CRDA investment. Such charges/(credits) to operations were approximately \$0.9 and \$1.0 million for both of the six months ended June 30, 2026 and 2025. The CRDA charges/(credits) is included in other income (expenses) in the accompanying statements of income.

The funds on deposit are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to reflect their future value to the Company. Once CRDA Bonds are issued, they are recorded at a discount to approximate fair value. We have concluded that the bonds are classified as held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, the Company is not permitted to do otherwise.

After the initial determination of fair value, the Company analyzes the recoverability of the CRDA Bonds on a quarterly basis and its effect on reported amounts based upon the ability and likelihood of bonds to be repaid. When considering recoverability of the CRDA Bonds, the Company considers the relative credit-worthiness of each borrower, historical collection experience and other information received from the CRDA. If indications exist that the amount expected to be recovered is less than its carrying value, additional valuation allowances will be recorded.

On May 27, 2016, the New Jersey legislature enacted Senate Bill S1715 and amended by Senate Bill S4007 enacted in December 2021, which implements the PILOT. Beginning in calendar year 2017, casino property owners will fulfill their financial obligations to all local governments serving Atlantic City thereby exempting casino gaming properties from ad valorem property taxation by the City of Atlantic City. The PILOT will have an impact on, among other things, the disposition of future CRDA payments by reallocating the majority of casino investment alternative tax (IAT) receipts collected by the CRDA to Atlantic City for the purpose of paying debt service on municipal bonds issued prior to the effective date of the Bill until December 31, 2026. IAT revenues pledged for the payment of bonds issued by the CRDA, or any bonds issued to refund those bonds, or otherwise contractually obligated by the CRDA prior to the effective date of the bill, are excluded from the reallocation.

6. Property and Equipment

Components of property and equipment, net were as follows at June 30, (in thousands):

	<u>2026</u>	<u>2025</u>
Land	\$ 12,956	\$ 12,956
Hotels and other buildings	134,583	134,108
Furniture, fixtures and equipment	84,151	81,837
Construction in progress	4,201	2,261
	235,891	231,162
Less: accumulated depreciation	(112,475)	(104,602)
Property and equipment, net	<u>\$ 123,416</u>	<u>\$ 126,560</u>

Depreciation expense was \$4.0 and \$3.9 million for both the six months ended June 30, 2026 and 2025, respectively. Depreciation expense is included in depreciation and amortization in the accompanying statements of income.

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7. Intangible Assets

Intangible assets, included in other assets in the accompanying balance sheets, includes a trade name valued at \$3.3 million at June 30, 2026 and 2025. The trade name is deemed to have an indefinite life.

8. Debt

Notes payable consists of the following bank loans at June 30, 2026 and 2025 (in thousands):

	2026	2025
Fifth Third – notes payable	\$ 37,500	\$ 40,500
Fifth Third – line of credit	10,000	10,000
Gaming equipment - finance agreements	24	317
Less debt issuance costs	(796)	(876)
Notes payable less debt issuance costs	46,728	49,941
Less current maturities	3,024	3,317
	\$ 43,704	\$ 46,624

On July 7, 2022, the Company’s credit facility was restructured as the Company and RDG as a co-borrower entered into a new five-year variable rate credit facility with Fifth Third Bank in the principal amount of \$60 million with a \$10 million revolving line of credit and an accordion feature allowing borrowings of an additional \$25 million. On September 1, 2024, Fifth Third Bank released RDG as a co-borrower in exchange for a principal payment of \$10.5 million. The credit facility requires the Company to receive approval for individual borrowings as well as comply with various covenants. The credit facility has a first lien on all assets of the Company. Interest is due monthly at the Secured Overnight Financing Rate plus 3.0% with quarterly principal payments and a balloon payment due July 7, 2027. The Company had \$10.0 million outstanding on the revolving line of credit as of June 30, 2026 and 2025. As of the filing date, the Company has been negotiating a refinancing of its debt with Fifth Third Bank.

The Company’s management enters into finance agreements with unrelated parties to purchase various types of gaming equipment. The contract terms range from 24 to 36 months. Interest is charged at rates between 1.5% and 5.82%. The agreements grant a security interest in the equipment being borrowed on.

9. Related Party Transactions

On January 1, 2017, Holding entered into the First Amendment to the Second Amended Restated Limited Liability Company Agreement which, among other things, converted the loans and related interest due of approximately \$113.2 million to the majority owner of Holding to a class of equity referred to as special capital contribution. Thereafter, the Company distributed approximately \$29.1 million to its majority owner. The difference between the amount converted to special capital contribution and the amount distributed to the majority owner will take precedent in any future capital distributions.

The Company will from time to time pay expenses on behalf of their parent company. As of June 30, 2026 and 2025 the Company had receivables approximately \$0.4 million and \$0, respectively, related to these payments included in receivables, net on the accompanying balance sheets.

On November 9, 2018, the Company entered into a sports book agreement with Crown NJ Gaming, Inc., a Delaware corporation, d/b/a/ DraftKings (“DraftKings”), whereby the Company licensed Draft Kings to operate a retail sports book at Resorts Casino Hotel, known as “DraftKings Sports Book at Resorts” utilizing the Sports Wagering License of RDG. The agreement was further amended with an effective date of January 1, 2021, which among other things, returned operations of the DraftKings sports book at Resorts to the Company and extended the term of the agreement through December 31, 2036. In conjunction with the sale of RDG on September 1, 2024, the Sports Wagering License of RDG was transferred to the Company.

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10. Other Accrued Expenses

Components of other accrued expenses were as follows at June 30, (in thousands):

	2026	2025
Payroll and related costs	\$ 9,290	\$ 8,592
Unredeemed incentives	2,458	2,273
Utilities	557	630
Guest claims	602	212
Regulatory and state taxes for DGMB	591	851
Regulatory and state taxes for Online Operations	14,085	11,058
Slot Ticket Liability	150	120
Current Portion of Lease Liability for ROU Assets	312	302
Other	731	740
	<u>\$ 28,776</u>	<u>\$ 24,778</u>

Amounts above relating to the 2025 CRDA and regulatory fees are inclusive of amounts to be reimbursed by third party online operators pursuant to the related contractual agreements.

As noted in Note 2, there was a change in a regulatory requirement during 2025, allowing Third Party operators to maintain custody of gaming patron's funds historically held on deposit by the Company. The removal of this requirement resulted in a decrease in restricted cash and the related liability.

11. Internet Gaming and Sports Wagering

The Company holds an internet gaming permit and sports wagering license and operate a retail sports wagering lounge. We report all of the revenue from the retail sports wagering lounge on our financial statements. In addition, we have entered into several contractual agreements with various online casino operators under which we provide the skin operator with access to the New Jersey market. The table below provides a brief summary of the five internet gaming skins and two sports wagering skins in use as of June 30, 2026:

Skin	Owner/Operator of Skin	Operation Commencement Date (1)	Internet Gaming or Sports Wagering	DGMB Revenue Recognition
DraftKings	DK Crown Holdings, Inc.	08/2018	Both	Contractual Payments
TheScoreBet	Penn Interactive Ventures	08/2021 (2)	Both	Contractual Payments
Pokerstars	TSG Interactive US	03/2016	Internet gaming	Contractual Payments
Resortscasino	RDG/Boyd Interactive	02/2015	Internet gaming	See Notes
Mohegansuncasino	RDG/Boyd Interactive	07/2015	Internet gaming	See Notes

(1) Prior to September 2024, we operated under an affiliate license held by Resorts Digital Gaming, LLC.

(2) ESPNbet sports wagering and internet gaming operations were renamed to TheScoreBet on December 1, 2025.

Prior to September 2024, we operated under an affiliate license through RDG. Accordingly, the Company did not report any revenues from Internet gaming and sports wagering, as all revenues were reported by RDG through August 2024.

On September 1, 2024, Holding sold 100% of its membership interest in RDG to an unrelated third party, Boyd Interactive, which included the ownership and operation of "resortscasino" and "mohegansuncasino" brands. In conjunction with the transaction, the Company entered into a market access license agreement to allow RDG to operate the "resortscasino" and "mohegansuncasino" Internet gaming operations under the Company's Internet gaming permit. The compensation associated with the market access license agreement was paid as part of the RDG sale to Boyd Interactive, and thus, no recurring payments are made by Boyd Interactive to the Company.

In conjunction with the sale of RDG, the market access license agreements with the DraftKings, ESPNbet (currently TheScoreBet), and Pokerstars brands were transferred from RDG to the Company. RDG also surrendered its casino license. Therefore, as of September 1, 2024, the Company does not own or operate any of the Internet gaming or sports wagering skins highlighted in the preceding table. Instead, we receive recurring distributions from the contractual

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agreements with the DraftKings, TheScoreBet, and Pokerstars brands, and only those distributions are included in net revenue on our income statement.

In June 2025, PokerStars notified the Company and the New Jersey Regulators that they would not seek to renew or extend their market access license agreement with the Company. The agreement expired on May 15, 2026.

12. Commitments and Contingencies

Litigation

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

Commitments

All the Atlantic City casino properties ("AC Industry") and the CRDA were required by law to enter into an agreement with the Atlantic City Alliance (the "ACA") to provide funding to subsidize Atlantic City casino marketing. This agreement was signed on November 2, 2011 and expired on December 31, 2016. The agreement provided that in exchange for funding the ACA would create and implement a marketing plan for the AC Industry. As part of the agreement, the AC Industry provided an initial deposit of \$5.0 million as of December 31, 2011 and was required to continue to pay \$30.0 million annually for the term of the agreement. Each payment was allocated to the AC Industry based on each casino's prorated share of gross gaming revenues from the preceding period. In November 2014, the ACA board voted unanimously to request the state legislature to disband the ACA in light of then pending legislation to divert the Industry's combined \$30.0 million yearly ACA contributions to fund a portion of the city's budget in addition to the PILOT payments required of casino licensees.

As stated above in Note 5, on May 27, 2016, the New Jersey legislature enacted Senate Bill S1715, subsequently amended by Senate Bill S4007 in December 2021, which implemented the PILOT program. The legislation permits CRDA to cancel the agreement with casino licensees removing the obligation to fund the functions that were previously supported by their contributions to the ACA and diverted the future payments to the PILOT program which were an industry combined \$5 million for calendar years 2026 and 2025.

13. Subsequent Events

The Company evaluated its financial statements for subsequent events through August 14, 2026, the date these financial statements were available to be issued.