

Mohegan Tribal Gaming Authority

Annual Report

For the Fiscal Year ended September 30, 2024

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Item 1. Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Management Board of Mohegan Tribal Gaming Authority

Opinions

We have audited the consolidated financial statements of Mohegan Tribal Gaming Authority and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of operations and comprehensive (loss) income, changes in capital, and cash flows for each of the three years in the period ended September 30, 2024, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

Unmodified Opinion on Accounting Standards as Promulgated by the Financial Accounting Standards Board

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024 in accordance with accounting principles generally accepted in the United States of America.

Adverse Opinion on U.S. Generally Accepted Accounting Principles for Governmental Entities

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles for Governmental Entities," section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America for governmental entities, the financial position of the Company as of September 30, 2024 and 2023, or changes in financial position or cash flows thereof for each of the three years in the period ended September 30, 2024.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles for Governmental Entities

As described in Note 2 to the financial statements, the Company is a governmental entity as defined by the Government Accounting Standards Board (GASB). Accordingly, the standards as promulgated by GASB are the appropriate accounting standards for the Company to follow. However, the Company has

prepared its financial statements in accordance with accounting standards as promulgated by the Financial Accounting Standards Board (FASB) even though the entity meets the “governmental” criteria.

The effects on the combined financial statements of the variances between the accounting policies described in Note 2 to the combined financial statements and generally accepted accounting principles for governmental entities, although not reasonably determinable, are presumed to be material.

Substantial Doubt About the Company’s Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has maturing debts and a debt covenant violation and has stated that substantial doubt exists about the Company’s ability to continue as a going concern. Management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter Regarding Financial Statement Presentation

As discussed in Note 2 to the combined financial statements, the combined financial statements referred to above present only the Company and do not purport to, and do not, present fairly the financial position of the Mohegan Tribe (the Company's parent) as of September 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for each of the three years in the period ended September 30, 2024, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Deloitte & Touche LLP

December 31, 2024

MOHEGAN TRIBAL GAMING AUTHORITY
CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2024	September 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 204,849	\$ 217,336
Restricted cash and cash equivalents	55,794	6,989
Accounts receivable, net	84,466	64,003
Inventories	22,122	19,713
Due from Ontario Lottery and Gaming Corporation	12,213	17,488
Contract asset	5,057	30,726
Assets held for sale	3,652	—
Other current assets	51,289	112,029
Total current assets	<u>439,442</u>	<u>468,284</u>
Restricted cash and cash equivalents	17	220,983
Property and equipment, net	2,334,527	2,337,748
Right-of-use assets	297,379	302,500
Intangible assets, net	310,343	310,493
Contract asset, net of current portion	1,187	21,625
Other assets, net	63,274	54,557
Total assets	<u>\$ 3,446,169</u>	<u>\$ 3,716,190</u>
LIABILITIES AND CAPITAL		
Current liabilities:		
Current portion of long-term debt	\$ 381,689	\$ 26,232
Current portion of finance lease obligations	8,069	5,951
Current portion of operating lease obligations	7,539	6,310
Trade payables	40,082	18,662
Accrued payroll	71,275	60,637
Construction payables	47,990	147,667
Accrued interest payable	45,560	39,780
Due to Ontario Lottery and Gaming Corporation	6,312	1,158
Liabilities held for sale	7,652	—
Other current liabilities	261,535	184,270
Total current liabilities	<u>877,703</u>	<u>490,667</u>
Long-term debt, net of current portion	2,576,527	2,912,950
Finance lease obligations, net of current portion	31,305	107,180
Operating lease obligations, net of current portion	356,302	358,146
Warrants and put option liabilities	125,680	48,790
Other long-term liabilities	20,629	41,270
Total liabilities	<u>3,988,146</u>	<u>3,959,003</u>
Commitments and Contingencies		
Capital:		
Retained deficit	(488,432)	(182,169)
Accumulated other comprehensive loss	(56,842)	(66,507)
Total capital attributable to Mohegan Tribal Gaming Authority	<u>(545,274)</u>	<u>(248,676)</u>
Non-controlling interests	3,297	5,863
Total capital	<u>(541,977)</u>	<u>(242,813)</u>
Total liabilities and capital	<u>\$ 3,446,169</u>	<u>\$ 3,716,190</u>

The accompanying notes are an integral part of these consolidated financial statements.

MOHEGAN TRIBAL GAMING AUTHORITY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(in thousands)

	For the Fiscal Year Ended September 30, 2024	For the Fiscal Year Ended September 30, 2023	For the Fiscal Year Ended September 30, 2022
Revenues:			
Gaming	\$ 1,242,486	\$ 1,146,124	\$ 1,122,864
Food and beverage	197,431	157,569	134,724
Hotel	154,145	118,211	115,828
Retail, entertainment and other	294,803	250,277	217,095
Net revenues	<u>1,888,865</u>	<u>1,672,181</u>	<u>1,590,511</u>
Operating costs and expenses:			
Gaming, including related party transactions of \$3,615, \$3,606 and \$3,235, respectively	692,922	601,734	573,561
Food and beverage	179,172	129,330	111,379
Hotel, including related party transactions of \$8,644, \$8,644 and \$8,644, respectively	65,036	49,769	47,689
Retail, entertainment and other	131,020	98,750	79,289
Advertising, general and administrative, including related party transactions of \$42,427, \$43,452 and \$48,723, respectively	402,268	322,146	309,160
Corporate, including related party transactions of \$9,315, \$9,094 and \$7,551, respectively	60,912	65,854	65,034
Depreciation and amortization	130,297	101,046	102,625
Impairment of tangible assets	6,372	—	23,565
Impairment of intangible assets	—	—	12,869
Other, net	51,799	39,020	19,106
Total operating costs and expenses	<u>1,719,798</u>	<u>1,407,649</u>	<u>1,344,277</u>
Income from operations	<u>169,067</u>	<u>264,532</u>	<u>246,234</u>
Other income (expense):			
Interest income	2,290	2,669	168
Interest expense, net	(328,728)	(230,366)	(206,314)
(Loss) gain on modification and early extinguishment of debt	(123)	(3,452)	630
(Loss) gain on fair value adjustment	(76,890)	(1,490)	43,020
Other, net	(1,474)	699	268
Total other expense	<u>(404,925)</u>	<u>(231,940)</u>	<u>(162,228)</u>
(Loss) income before income tax	<u>(235,858)</u>	<u>32,592</u>	<u>84,006</u>
Income tax benefit (provision)	1,318	(9,697)	(8,810)
Net (loss) income	<u>(234,540)</u>	<u>22,895</u>	<u>75,196</u>
Income (loss) attributable to non-controlling interests	2,566	(1,065)	(545)
Net (loss) income attributable to Mohegan Tribal Gaming Authority	<u>(231,974)</u>	<u>21,830</u>	<u>74,651</u>
Comprehensive income (loss):			
Foreign currency translation adjustment	10,680	21,639	(86,081)
Other	(1,015)	—	—
Other comprehensive income (loss)	<u>9,665</u>	<u>21,639</u>	<u>(86,081)</u>
Comprehensive (loss) income attributable to Mohegan Tribal Gaming Authority	<u>\$ (222,309)</u>	<u>\$ 43,469</u>	<u>\$ (11,430)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MOHEGAN TRIBAL GAMING AUTHORITY
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL
(in thousands)

	Retained Deficit	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Total Capital Attributable to Mohegan Tribal Gaming Authority	Non-controlling Interests	Total Capital
Balance, September 30, 2021	\$ (133,087)	\$ —	\$ (2,065)	\$ (135,152)	\$ 1,910	\$(133,242)
Net income	74,651	—	—	74,651	545	75,196
Foreign currency translation adjustment	—	—	(86,081)	(86,081)	—	(86,081)
Contribution from Mohegan Tribe	—	325	—	325	—	325
Distributions to Mohegan Tribe	(71,075)	(325)	—	(71,400)	—	(71,400)
Distributions to Salishan Company, LLC	(1,040)	—	—	(1,040)	—	(1,040)
Other	—	—	—	—	2,343	2,343
Balance, September 30, 2022	(130,551)	—	(88,146)	(218,697)	4,798	(213,899)
Net income	21,830	—	—	21,830	1,065	22,895
Foreign currency translation adjustment	—	—	21,639	21,639	—	21,639
Distributions to Mohegan Tribe	(72,828)	—	—	(72,828)	—	(72,828)
Distributions to Salishan Company, LLC	(620)	—	—	(620)	—	(620)
Conversion of convertible debenture by member (refer to Note 7)	—	—	—	—	29,459	29,459
Distribution to member (refer to Note 7)	—	—	—	—	(29,459)	(29,459)
Balance, September 30, 2023	(182,169)	—	(66,507)	(248,676)	5,863	(242,813)
Net loss	(231,974)	—	—	(231,974)	(2,566)	(234,540)
Foreign currency translation adjustment	—	—	10,680	10,680	—	10,680
Distributions to Mohegan Tribe	(74,289)	—	—	(74,289)	—	(74,289)
Other	—	—	(1,015)	(1,015)	—	(1,015)
Balance, September 30, 2024	<u>\$ (488,432)</u>	<u>\$ —</u>	<u>\$ (56,842)</u>	<u>\$ (545,274)</u>	<u>\$ 3,297</u>	<u>\$(541,977)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MOHEGAN TRIBAL GAMING AUTHORITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the Fiscal Year Ended September 30, 2024	For the Fiscal Year Ended September 30, 2023	For the Fiscal Year Ended September 30, 2022
Cash flows provided by operating activities:			
Net (loss) income	\$ (234,540)	\$ 22,895	\$ 75,196
Adjustments to reconcile net (loss) income to net cash flows provided by operating activities:			
Depreciation and amortization	130,297	101,046	102,625
Non-cash operating lease expense	8,682	7,962	8,335
Accretion of discounts	1,152	1,404	1,984
Amortization of discounts and debt issuance costs	40,653	29,060	15,739
Paid-in-kind interest	62,047	32,445	35,059
Loss (gain) on fair value adjustment	76,890	1,490	(43,020)
Gain on modification and early extinguishment of debt	—	—	(704)
Provision (recovery) for losses on receivables	8,641	(646)	6,095
Deferred income taxes	(13,480)	9,449	9,102
Impairment charges	6,372	—	36,434
Other, net	1,268	(111)	4,746
Changes in operating assets and liabilities:			
Accounts receivable, net	(30,010)	(16,912)	(12,618)
Inventories	(2,580)	(21)	(1,419)
Due from Ontario Lottery and Gaming Corporation	5,439	(8,686)	7,463
Contract asset	46,210	36,362	24,817
Assets held-for-sale	(835)	—	—
Other assets	(8,904)	(601)	21,789
Trade payables	21,874	6,582	(7,115)
Accrued interest payable	(815)	894	1,899
Due to Ontario Lottery and Gaming Corporation	5,137	(2,532)	(18,397)
Operating lease obligations	(4,811)	(4,115)	(4,345)
Liabilities held-for-sale	(8,055)	—	—
Other liabilities	77,579	12,138	24,650
Net cash flows provided by operating activities	188,211	228,103	288,315
Cash flows used in investing activities:			
Purchases of property and equipment	(240,225)	(677,235)	(287,211)
Investments related to the Mohegan INSPIRE project	65,710	(65,710)	(5,611)
Other, net	(617)	1,390	(2,077)
Net cash flows used in investing activities	(175,132)	(741,555)	(294,899)
Cash flows provided by (used in) financing activities:			
Proceeds from revolving credit facilities	626,520	866,930	1,064,176
Repayments on revolving credit facilities	(679,520)	(806,930)	(1,125,253)
Proceeds from issuance of long-term debt	19,144	494,657	698,358
Repayments of long-term debt	(79,035)	(30,613)	(55,884)
Payments on finance lease obligations	(7,062)	(4,442)	(5,553)
Contributions from affiliates	—	—	325
Distributions to affiliates	(74,289)	(73,448)	(72,440)
Payments of financing fees	(456)	(3,305)	(66,301)
Distribution to member	—	(29,459)	—
Other, net	(1,419)	(1,418)	736
Net cash flows (used in) provided financing activities	(196,117)	411,972	438,164
Net (decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents	(183,038)	(101,480)	431,580
Effect of exchange rate on cash, cash equivalents, restricted cash and restricted cash equivalents	4,998	26,274	(75,763)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	445,308	520,514	164,697
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of year	\$ 267,268	\$ 445,308	\$ 520,514

Reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents to the consolidated balance sheets:			
Cash and cash equivalents	\$ 204,849	\$ 217,336	\$ 164,671
Cash and cash equivalents included in assets held for sale	6,608	—	—
Restricted cash and cash equivalents, current	55,794	6,989	8,838
Restricted cash and cash equivalents, non-current	17	220,983	347,005
Cash, cash equivalents, restricted cash and restricted cash equivalents	<u>\$ 267,268</u>	<u>\$ 445,308</u>	<u>\$ 520,514</u>
Supplemental disclosures:			
Cash paid for interest	\$ 237,941	\$ 217,265	\$ 165,192
Cash paid for taxes	\$ 10,842	\$ —	\$ —
Non-cash transactions:			
Paid-in-kind interest capitalized	\$ 10,219	\$ 25,881	\$ 7,390
Increase in construction payables	\$ —	\$ 86,501	\$ 8,046
Paid-in-kind interest converted to debt	\$ 61,002	\$ 58,356	\$ 36,998
Debt converted to non-controlling interests	\$ —	\$ 29,459	\$ —
Right-of-use assets	\$ 1,878	\$ —	\$ 26,009
Operating lease obligations	\$ 1,878	\$ —	\$ 26,009
Finance lease assets and obligations	\$ 14,698	\$ —	\$ —
Settlement of redemption note payable and receivable	\$ 2,486	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In this Annual Report, the words “Company,” “we,” “our” and “us” refer to the Mohegan Tribal Gaming Authority, inclusive of its consolidated subsidiaries, unless otherwise stated or the context otherwise requires.

We also refer to: (i) our Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Balance Sheets as our “Balance Sheets” and (iii) our Consolidated Statements of Operations and Comprehensive Income (or Loss) as our “Statements of Operations,” where applicable. Note references are to the notes accompanying our Financial Statements.

Note 1 — Organization

Organization

We were established in July 1995 by the Mohegan Tribe (the “Mohegan Tribe”), a federally-recognized Indian tribe with an approximately 595-acre reservation situated in Uncasville, Connecticut. We have the exclusive authority to conduct and regulate gaming activities for the Mohegan Tribe on tribal lands and the non-exclusive authority to conduct such activities elsewhere. The Indian Gaming Regulatory Act of 1988 permits federally-recognized Indian tribes to conduct full-scale casino gaming operations on tribal lands, subject to certain conditions, and the Mohegan Compact, as amended, permits the Mohegan Tribe to conduct casino and sportsbook operations on its tribal lands in Uncasville, Connecticut, along with online casino gaming and sports wagering (“iGaming”) in the state of Connecticut and on its tribal lands. We are governed and overseen by a nine-member Management Board, whose members also comprise the Mohegan Tribal Council, the governing body of the Mohegan Tribe.

We are primarily engaged in the ownership, operation, and development of integrated entertainment facilities. As of September 30, 2024, we owned two facilities in the United States and owned, operated, or managed five other facilities in the United States, Canada, and South Korea. We also conducted iGaming in the United States and Canada.

On November 29, 2023, we opened the integrated entertainment resort phase of a facility in South Korea, Mohegan INSPIRE Entertainment Resort, located adjacent to the Incheon International Airport (“Mohegan INSPIRE”). The gaming phase opened on February 3, 2024. Mohegan INSPIRE is owned and operated by Inspire Integrated Resort Co., Ltd. (“Inspire Integrated Resort”), a wholly-owned subsidiary.

Going Concern

In accordance with Accounting Standards Codification (“ASC”) Subtopic 205-40, “Going Concern”, substantial doubt about an entity’s ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the entity’s financial statements are available to be issued. In this regard, we have identified the following conditions and events that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the accompanying consolidated financial statements are available to be issued.

Maturing Facilities

Senior Secured Credit Facility: This credit facility matures in November 2025. We have determined that we will need to refinance this credit facility and expect that without such a refinancing it is probable that we will not have sufficient liquidity to meet the debt obligations under this facility when they come due.

Guaranteed Credit Facility: This facility matures in October 2025. We expect that we will need to use capacity under the Senior Secured Credit Facility described above in order to meet the debt obligations under this facility when they come due.

Korea Credit Facility: This facility matures in November 2025. We have determined that we will need to refinance this Facility and expect that without such refinancing it is probable that Inspire Integrated Resort will not have sufficient liquidity to meet its debt obligations under this facility when they come due. In addition, if Inspire Integrated Resort is unable to meet its obligations under this facility, the Company’s parent entity is subject to a credit enhancement support agreement pursuant to which we could be required to provide up to \$100.0 million of principal, interest, and other sums due under the Korea Credit Facility. We have determined that we will not have sufficient liquidity to meet such an obligation if it were to arise without a refinancing of the Senior Secured Credit Facility.

If we are not able to meet our obligations under the Guaranteed Credit Facility, refinance the Senior Secured Credit Facility, and refinance the Korea Credit Facility, we would need to seek additional sources of liquidity and/or obtain waivers or amendments under the respective agreements. However, we can provide no assurance that we will be successful in these pursuits. If we are unable to obtain such liquidity and/or waivers or amendments, we would be in default under the Guaranteed Credit Facility, the Senior Secured Credit Facility, the Korea Credit Facility, and/or the credit enhancement support agreement, which could result in cross-defaults under our 2022 13.25% Senior Unsecured Notes, 2021 8% Senior Secured Notes, and/or

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Korea Convertible Bonds. If such defaults or cross-defaults were to occur, it would allow our lenders to exercise their rights and remedies as defined under their respective agreements, including their right to accelerate the repayment of outstanding indebtedness. If such acceleration were to occur, we can provide no assurance that we would be able to obtain the financing necessary to repay such accelerated indebtedness.

Korea Term Loan Event of Default

MGE Korea Limited (“Korea Limited”), the borrower under the Korea Term Loan, is required under the terms of such agreement to satisfy certain financial covenant tests with respect to the period ended September 30, 2024. When the results of the financial covenant test are delivered to the lender following the issuance of this report, certain of the financial covenant tests will not be met, which will be an event of default under the terms of the agreement. As of the date that the accompanying consolidated financial statements are available to be issued, Korea Limited has not obtained a waiver for the related financial covenants. As a result, we have reclassified the outstanding principal and non-current accrued interest obligations to the Current Portion of Long-Term Debt and Accrued Interest, respectively, in the accompanying financial statements.

Korea Limited is a wholly owned subsidiary of the Company and the parent company of Inspire Integrated Resort. The Korea Term Loan is secured by 100% of Korea Limited’s share capital pursuant to a pledge by its parent, MGE Korea Holding III Limited, and a debenture over the assets of Korea Limited (subject to certain exceptions and limitations), which includes the share capital of Inspire Integrated Resort. If a default under the Korea Term Loan were to occur, the lenders may exercise their rights and remedies as defined under the Korea Term Loan, including their right to accelerate the repayment of outstanding indebtedness. If this were to occur, we would seek additional sources of liquidity. However, if we were unable to obtain alternative financing on acceptable terms, the lenders may choose to exercise additional rights and remedies, which may include taking possession of the pledged collateral described above.

The only obligor on the Korea Term Loan is Korea Limited, and the obligations under the Korea Term loan are not secured by any assets other than those of Korea Limited and certain assets of its parent, MGE Korea Holding III Limited. A default or acceleration of obligations under the Korea Term Loan does not constitute a default under any of the other debt agreements of the Company or any of its subsidiaries.

See Note 7 for further details about our debt obligations, including those described above.

These conditions and events raise substantial doubt about our ability to continue as a going concern.

Management plans to refinance the Senior Secured Credit Facility, refinance the Korea Credit Facility, and seek additional sources of liquidity to repay and/or obtain waivers or amendments under the Korea Term Loan. These plans have not been finalized, are subject to market conditions, and are not within the Company’s control, and therefore, cannot be deemed probable. As a result, the Company has concluded that management’s plans do not alleviate substantial doubt about the Company’s ability to continue as a going concern.

In addition, Management is working to resolve the Mohegan INSPIRE general contractor claim disclosed in the “Litigation” section of Note 12 and has other commitments related to the Mohegan INSPIRE facility that are disclosed in the “Mohegan INSPIRE Commitment” section of Note 12. Management will be required to continually monitor cash inflows and outflows to manage these claims and contingencies.

The accompanying consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. Accordingly, the accompanying consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Note 2 — Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying Financial Statements include the accounts of the Company and its majority and wholly-owned subsidiaries and entities. The accounts of MGE Niagara Entertainment Inc. (“MGE Niagara”) are consolidated into the accounts of the Company. MGE Niagara is a variable interest entity, and the Company is deemed to be the primary beneficiary. In consolidation, all intercompany balances and transactions are eliminated.

Financial Accounting Standards Board versus Governmental Accounting Standards Board Reporting

The Mohegan Tribe prepares its combined financial statements, including the accounts of the Company, in accordance with pronouncements issued by the Governmental Accounting Standards Board (“GASB”). As a separate instrumentality of the Mohegan Tribe, we are a governmental entity as defined by GASB. The accompanying audited consolidated financial statements have been prepared in accordance with pronouncements issued by the Financial Accounting Standards Board (the “FASB”). We believe primary differences between the FASB and GASB pronouncements, as they relate to us, are the

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

accounting for revenues, leases, asset impairments, the presentation of cash flow activities, and certain additional disclosures of fixed assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosures of contingent assets and liabilities. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits that can be redeemed on demand and highly liquid investments with original maturities of three months or less from the date of purchase. Cash and cash equivalents include all operating cash and in-house funds.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of deposits that are restricted as to their withdrawal or use. Restricted cash and cash equivalents primarily include cash intended to be used for Mohegan INSPIRE.

Accounts Receivable

Accounts receivable consist of casino receivables, which represent credit extended to approved casino customers, and hotel and other non-gaming receivables. We maintain a reserve for doubtful collection of these receivables, which primarily relates to casino receivables.

Inventories

Inventories are stated at the lower of cost or net realizable value and consist primarily of food and beverage, retail, hotel, and operating supplies. Cost is determined using the average cost method.

Due from/to Ontario Lottery and Gaming Corporation

On a bi-weekly basis, the Ontario Lottery and Gaming Corporation (“OLG”) remits estimated amounts due to us pursuant to the terms of the Casino Operating and Services Agreement (“COSA”). Any such remittance that is due, but not yet received, is recorded within due from Ontario Lottery and Gaming Corporation. Differences between actual and estimated amounts due are separately settled with the OLG on an annual basis, however, a quarterly interim reconciliation process is available. Any gaming revenues collected and not yet remitted to the OLG is recorded within due to Ontario Lottery and Gaming Corporation.

Property and Equipment

Property and equipment are stated at cost. Depreciation is recognized over the estimated useful lives of the assets, other than land, on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the improvements. Estimated useful lives by asset category are as follows:

Buildings and land improvements	40 years
Furniture and equipment	3 - 7 years

The costs of significant improvements are capitalized. Costs of normal repairs and maintenance are expensed as incurred.

Property and equipment are assessed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If it is determined that the carrying amounts may not be recoverable based on current and future levels of income and cash flows, as well as other factors, an impairment charge will be recognized at such time.

Intangible Assets

Intangible assets consist primarily of Mohegan's trademark and Mohegan Pennsylvania's various gaming licenses. These intangible assets all have indefinite lives. Intangible assets with indefinite lives are assessed at least annually for impairment by comparing their fair value to their carrying value. However, these intangible assets may be assessed more frequently for impairment if events or changes in circumstances, such as declines in revenues, earnings, and cash flows, or material adverse changes in business climate, indicate that their carrying value may be impaired.

Intangible assets with finite lives are assessed for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. If necessary, an impairment charge is recognized when the carrying value of the asset (asset group) exceeds the estimated undiscounted cash flows expected from the use and eventual disposition of the asset (asset group). The amount of the impairment charge, if any, is calculated as the excess of the asset's (asset group's) carrying value over its fair value.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The evaluation of intangible assets for impairment requires the use of estimates about future cash flows. Such estimates are, by their nature, subjective. Actual results may differ materially from our estimates and could result in impairment charges in the future.

Debt Issuance Costs

Debt issuance costs are amortized to interest expense based on the effective interest method.

Self-insurance Reserves

We are self-insured up to certain limits for costs associated with workers' compensation, general liability, and employee medical coverage. Insurance claims and reserves include estimated settlements of known claims, as well as estimates of incurred but not reported claims. These reserves are recorded within other current liabilities. In estimating self-insurance reserves, we consider historical loss experiences and expected levels of costs per claim. Claims are accounted for based on estimates of undiscounted claims, including claims incurred but not reported.

Leases

We account for leases in accordance with guidance provided by Accounting Standards Updates ("ASU") No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which requires, among other things, lessees to recognize a right-of-use asset and liability for leases with terms in excess of 12 months.

We determine if a contract is, or contains, a lease at its inception or at the time of any modification. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of the identified asset requires that the lessee has both: (i) the right to obtain substantially all of the economic benefits from the use of the asset and (ii) the right to direct the use of the asset.

Right-of-use operating and finance lease assets and liabilities are recognized on the respective lease commencement date based on the present value of future lease payments over the expected lease term. An expected lease term includes any option to extend or terminate the lease if it is reasonably certain that we will exercise such option. We utilize the incremental borrowing rate ("IBR") applicable to the lease as determined at the lease commencement date to calculate the present value of future lease payments. The applicable IBR is determined based on the treasury group to which the leasing entity belongs and that group's estimated interest rate for collateralized borrowings over a similar term as the future lease payments. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the expected lease term. Finance lease assets are recorded within property and equipment, net, and are amortized on a straight-line basis over the related lease term.

Derivative Instruments and Hedging Activities

The Company uses interest rate swap derivatives for hedging purposes to manage its exposure to changes in interest rates and to maintain an appropriate mix of fixed and variable-rate debt. The Company assesses at inception, and on an ongoing basis, whether a derivative instrument meets the criteria for hedge accounting. In order to qualify for hedge accounting, the derivative must be highly effective in offsetting the changes in the fair value or cash flows of the hedged item. The Company formally documents its risk management objective for undertaking the hedging transaction and its designation of the hedge. Under hedge accounting, derivative gains and losses are recorded in other comprehensive income until the hedged item is recognized in earnings. The fair value of the derivative instrument is recorded as an asset or liability on the Company's Consolidated Statement of Financial Position.

Warrants and Put Option

We account for our warrants and put option liabilities in accordance with guidance provided by Accounting Standards Codification ("ASC") Topic 815, "Derivatives and Hedging" ("ASC 815"). Under ASC 815 the warrants and put option do not meet the criteria for equity treatment. Accordingly, these instruments are classified as long-term liabilities and are re-measured at their estimated fair values at each reporting date. The estimated fair value of the warrants and put option was determined by utilizing the income approach (discounted cash flow method) and a binomial lattice model.

Revenue Recognition

Our revenues from contracts with customers consist of gaming, including racing, online casino gaming, and sports wagering, food and beverage, hotel, retail, entertainment, and convention related transactions, as well as management and development services related to management and development contracts.

The transaction price in a gaming contract is the difference between gaming wins and losses, not the total amount wagered. The transaction price in a racing contract, inclusive of live racing at our facilities, as well as import and export arrangements, is the commission received from the pari-mutuel pool less contractual fees and obligations, which primarily consist of purse funding requirements, simulcasting fees, tote fees and certain pari-mutuel taxes that are directly related to racing operations. The transaction price in online casino gaming and sports wagering is the share of the revenues that we expect to collect as the agent.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The transaction prices in food and beverage, hotel, retail, entertainment and convention contracts are the net amounts collected for such goods and services. Sales and other taxes collected on behalf of governmental authorities are accounted for on a net basis and are not recorded within revenues or expenses. The transaction prices in management and development service contracts are the amounts collected for services rendered in accordance with contractual terms, inclusive of reimbursable costs and expenses.

We recognize gaming revenues as amounts wagered less prizes paid out. Gaming transactions involve two performance obligations for customers participating in our loyalty reward programs and a single performance obligation for customers that do not participate. We apply a practical expedient by accounting for gaming contracts on a portfolio basis, as such contracts share similar characteristics. The effects on our Financial Statements under this approach do not differ materially versus under an individual contract basis. We utilize a deferred revenue model to reduce gaming revenues by the estimated fair value of loyalty points earned by customers. Revenues allocated to gaming performance obligations are recognized when gaming occurs as such activities are settled immediately. Revenues allocated to the loyalty points deferred revenue liability are recognized when loyalty points are redeemed. The deferred revenue liability is based on the estimated stand-alone selling price of loyalty points earned after factoring in the likelihood of redemption.

Food and beverage, hotel, retail, entertainment and convention transactions have been determined to be separate, stand-alone performance obligations and revenues for such contracts are recognized when the related goods and services are transferred to customers. Revenues from contracts which include a combination of these transactions are allocated on a pro rata basis based on the stand-alone selling price of the goods and services. Revenues from food and beverage, hotel, retail, entertainment and other services, including revenues associated with loyalty point redemptions, are recognized at the time such service is performed. Minimum rental revenues are recognized on a straight-line basis over the terms of the related leases. Percentage rental revenues are recognized in the periods in which the tenants exceed their respective percentage rent thresholds.

Management and development services have been determined to be separate, stand-alone performance obligations, and revenues for such contracts are recognized when the related services are performed. We recognize management fees pursuant to the respective management agreement, usually as a percentage of the managed entity's earnings during the period. Development fees are recognized pursuant to the respective development agreement, typically as a percentage of construction costs incurred during the period. Management and development fees are recorded within retail, entertainment and other revenues.

We operate the Niagara Resorts under the terms of a 21-year Casino Operating and Services Agreement with the OLG. Pursuant to the laws of Canada and the Province of Ontario, the OLG retains legal authority to conduct and manage lottery schemes on behalf of the Province of Ontario. We are acting as a service provider to the OLG under COSA and, therefore, recognize gaming revenues net of amounts due to the OLG. We retain all non-gaming revenues and recognize these amounts on a gross basis. COSA represents a series of distinct goods and services and, therefore, is deemed to be a single performance obligation.

The transaction price under COSA includes both fixed and variable consideration. The fixed consideration is comprised of an annual service provider fee and additional consideration for permitted capital expenditures up to an annual cap. The fixed consideration is recognized as revenue on a straight-line basis over the term of COSA. The variable consideration consists of 70% of Gaming Revenues (as defined under COSA), in excess of a guaranteed annual minimum amount payable to the OLG (the "Threshold"). Annual Threshold amounts are contractually established and vary from year to year. If gaming revenues are less than the Threshold for any given year, we are obligated to make a payment to cover the related shortfall. The variable consideration is recognized as revenue as services are rendered under the terms of COSA.

We measure our progress in satisfying this performance obligation based on the output method, which aligns with the benefits provided to the OLG. Projected revenues are estimated based on the most likely amount within a range of possible outcomes to the extent that a significant reversal in the amount of cumulative revenues recognized is not probable of occurring. The difference between revenues recognized and cash received is recorded as an asset or a liability and classified as short-term or long-term based upon the anticipated timing of reversal. In the event an asset is recorded, such asset is assessed at least annually for impairment.

In June 2021, COSA was amended to provide for, among other things, a three-year replacement of the annual Threshold, subject to certain conditions, with a fixed revenue share percentage. Effective August, 2024, the annual Thresholds per the original Casino Operating Service Agreement were reinstated.

Gaming Costs and Expenses

Gaming costs and expenses primarily represent portions of gaming revenues that must be paid to the State of Connecticut and the Pennsylvania Gaming Control Board (the "PGCB"), as well as reimbursable iGaming taxes that are paid on behalf of our iGaming partners. Gaming costs and expenses also include, among other things, payroll costs, expenses associated with the

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

operation of slot machines, table games, poker, online casino gaming, live harness racing, racebook and sportsbook, certain marketing expenditures and promotional expenses related to loyalty point and coupon redemptions.

Advertising Costs and Expenses

Production costs are expensed the first time the advertisement takes place. Prepaid rental fees associated with billboard advertisements are capitalized and amortized over the terms of the related agreements. Advertising costs and expenses totaled \$54.6 million, \$42.6 million and \$36.1 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

Pre-opening Costs and Expenses

Costs of start-up activities are expensed as incurred. Pre-opening costs and expenses totaled \$42.7 million, \$29.1 million and \$15.8 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively, and were recorded within other, net.

Income Taxes

Similar to other sovereign governments, the Mohegan Tribe and its entities, including the Company, are not subject to United States federal income taxes. However, certain of our non-tribal entities are subject to income taxes in various domestic and foreign jurisdictions.

We account for income taxes in accordance with guidance provided by ASC Topic 740, “Income Taxes” (“ASC 740”). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities, and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 requires that deferred tax assets be reduced by a valuation allowance if it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized.

ASC 740 also creates a single model to address uncertainty in tax positions and clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the entity’s financial statements. In addition, ASC 740 provides guidance with respect to de-recognition, measurement, classification, interest and penalties, accounting in interim periods and disclosure requirements. In accordance with ASC 740, we account for uncertain tax positions which meet the minimum recognition threshold as a component of income tax benefit or provision. Interest and penalties associated with such uncertain tax positions are also included as a component of income tax benefit or provision.

Pillar Two Framework

In December 2022, the government of South Korea passed tax legislation adopting the Pillar Two framework of the Organization for Economic Co-operation and Development. This framework establishes a global minimum corporate tax rate and is effective for tax years beginning on or after January 1, 2024. We are currently assessing whether, or to what extent, this legislation will impact us.

Foreign Currency

The financial position and operating results of foreign operations are consolidated using the local currency as the functional currency. Local currency assets and liabilities are translated at the end-of-period rates, while local currency revenues and expenses are translated at the average rates in effect during the period. Local currency equity is translated at historical rates, and the resulting cumulative translation adjustments are recorded as a component of accumulated other comprehensive income or loss.

Fair Value of Financial Instruments

We apply the following fair value hierarchy, which prioritizes the inputs utilized to measure fair value into three levels:

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

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

The carrying amount of cash and cash equivalents, restricted cash and cash equivalents, receivables and trade payables approximates fair value. The estimated fair value of our long-term debt is primarily based on Level 2 inputs, and the estimated fair value of our warrants is primarily based on Level 3 inputs (refer to Note 7).

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Recently Issued Accounting Pronouncements

There are no recently issued accounting pronouncements applicable to the Company.

Note 3 — Revenue Recognition

Revenue Disaggregation

We are primarily engaged in the ownership, operation, management, and development of integrated entertainment facilities, as well as the provision of iGaming solutions, both domestically and internationally. We currently own, operate, or manage four domestic facilities, three international facilities, and several digital iGaming solutions in the United States and Canada. We generate revenues by providing the following types of goods and services: gaming, food and beverage, hotel, and retail, entertainment and other, which includes management and development fees earned.

Revenue Disaggregation

<i>(in thousands)</i>	For the Fiscal Year Ended September 30, 2024				
	Domestic	International⁽¹⁾	Digital⁽²⁾	Other	Total
Gaming	\$ 837,976	\$ 243,739	\$ 160,772	\$ (1)	\$ 1,242,486
Food and beverage	127,392	70,203	(37)	(127)	197,431
Hotel	104,004	50,153	(8)	(4)	154,145
Retail, entertainment and other	163,765	84,087	(17)	46,968	294,803
Net revenues	<u>\$ 1,233,137</u>	<u>\$ 448,182</u>	<u>\$ 160,710</u>	<u>\$ 46,836</u>	<u>\$ 1,888,865</u>

⁽¹⁾ Includes revenues from Mohegan INSPIRE, which opened on November 30, 2023.

⁽²⁾ Gaming revenues include \$36.8 million in iGaming tax reimbursement amounts from our iGaming partners.

<i>(in thousands)</i>	For the Fiscal Year Ended September 30, 2023				
	Domestic	International⁽¹⁾	Digital⁽¹⁾	Other	Total
Gaming	\$ 839,053	\$ 207,155	\$ 99,916	\$ —	\$ 1,146,124
Food and beverage	120,908	36,885	(81)	(143)	157,569
Hotel	101,938	16,280	(1)	(6)	118,211
Retail, entertainment and other	136,660	54,216	741	58,660	250,277
Net revenues	<u>\$ 1,198,559</u>	<u>\$ 314,536</u>	<u>\$ 100,575</u>	<u>\$ 58,511</u>	<u>\$ 1,672,181</u>

⁽¹⁾ Gaming revenues include \$32.6 million in iGaming tax reimbursement amounts from our iGaming partners.

<i>(in thousands)</i>	For the Fiscal Year Ended September 30, 2022				
	Domestic	International	Digital	Other	Total
Gaming	\$ 886,002	\$ 213,165	\$ 23,697	\$ —	\$ 1,122,864
Food and beverage	111,123	23,782	(43)	(138)	134,724
Hotel	100,498	15,339	—	(9)	115,828
Retail, entertainment and other	131,470	26,977	(6)	58,654	217,095
Net revenues	<u>\$ 1,229,093</u>	<u>\$ 279,263</u>	<u>\$ 23,648</u>	<u>\$ 58,507</u>	<u>\$ 1,590,511</u>

Contract and Contract-related Assets

Accounts Receivable

<i>(in thousands)</i>	September 30, 2024	September 30, 2023
Gaming	\$ 65,402	\$ 48,124
Food and beverage	1	70
Hotel	7,284	5,399
Retail, entertainment and other	43,022	34,359
Accounts receivable	115,709	87,952
Allowance for doubtful accounts	(31,243)	(23,949)
Accounts receivable, net	<u>\$ 84,466</u>	<u>\$ 64,003</u>

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

As of September 30, 2024 and 2023, contract assets related to the Niagara Resorts COSA with the OLG totaled \$6.2 million and \$52.4 million, respectively.

Contract and Contract-related Liabilities

A difference may exist between the timing of cash receipts from customers and the recognition of revenues, resulting in a contract or contract-related liability. In general, we have three types of such liabilities: (1) outstanding gaming chips and slot tickets liability, which represents amounts owed in exchange for outstanding gaming chips and slot tickets held by customers, (2) loyalty points deferred revenue liability and (3) customer advances and other liability, which primarily represents funds deposited in advance by customers for gaming, and advance payments by customers for goods and services such as advance ticket sales, deposits on rooms or convention space, and gift card purchases. These liabilities are generally expected to be recognized as revenues within one year and are recorded within other current liabilities.

<i>(in thousands)</i>	September 30, 2024	September 30, 2023
Outstanding gaming chips and slot tickets liability	\$ 33,540	\$ 9,496
Loyalty points deferred revenue liability	44,490	41,751
Customer advances and other liability	61,554	34,852
Total	<u>\$ 139,584</u>	<u>\$ 86,099</u>

As of September 30, 2024, customer contract liabilities related to Mohegan Pennsylvania’s revenue sharing agreement with Unibet Interactive Inc. totaled \$13.2 million. In connection with the termination of the Unibet contract in June 2024, the amortization of the related contract liabilities was accelerated through the contract termination date as there were no remaining performance obligations to Unibet subsequent to that date.

Note 4 - Assets and Liabilities Held for Sale

In March 2024, we commenced discussions with the landlord of Mohegan Casino Las Vegas regarding transferring the operation of the casino to the landlord. In connection with these discussions, on March 29, 2024, we issued a notice to the landlord communicating our intent to exercise our early termination option under the Las Vegas lease. Upon exercising this option, the remaining term of the lease was reduced to twelve months and the future minimum lease payments were reduced. Effective March 31, 2024, we reassessed the classification of the lease and remeasured the remaining lease liability. Based on the revised lease terms, the lease was reclassified from a finance lease to an operating lease. In addition, we recognized a \$55.3 million reduction in the lease liability and a corresponding reduction to the lease right-of-use asset.

In connection with these events, the assets and liabilities of Mohegan Casino Las Vegas were reclassified to held for sale. The assets and liabilities held for sale are remeasured at fair value less costs to sell at each reporting date.

In August 2024, we entered into a Casino Purchase Agreement (the “Purchase Agreement”) and an Amendment to Casino Lease (the “Lease Amendment”) with the landlord. Pursuant to the Purchase Agreement, the landlord will acquire Mohegan Casino Las Vegas for one hundred dollars on the Closing Date. The Purchase Agreement is subject to regulatory approval and licensing. Pursuant to the Lease Amendment, remaining lease payments were reduced to \$11.0 million, of which \$7.0 million was paid prior to September 30, 2024. The reduction in future minimum lease payments resulted in an additional \$15.9 million reduction in the lease liability, reduction of the related right of use asset to zero, and a \$5.5 million gain on lease modification. This gain was offset by an \$11.9 million impairment of the net assets held for sale. The net impact of the gain and impairment is recorded within impairment of tangible assets.

The major classes of assets and liabilities held for sale are as follows:

	September 30, 2024
Cash	\$ 6,608
Other current assets	3,647
Property and equipment, net	5,317
Valuation allowance	(11,920)
Assets held for sale	<u>\$ 3,652</u>
Operating lease obligations	\$ 4,000
Accrued payroll	547
Other current liabilities	3,103
Other long-term liabilities	2
Liabilities held for sale	<u>\$ 7,652</u>

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 5 — Property and Equipment

Property and equipment

<i>(in thousands)</i>	September 30, 2024	September 30, 2023
Land	\$ 44,477	\$ 44,673
Land improvements	104,084	103,422
Buildings and improvements	3,123,159	1,886,627
Furniture and equipment	756,686	782,146
Construction in process ⁽¹⁾	28,129	1,146,906
Property and equipment	4,056,535	3,963,774
Accumulated depreciation	(1,722,008)	(1,626,026)
Property and equipment, net	<u>\$ 2,334,527</u>	<u>\$ 2,337,748</u>

⁽¹⁾ As of September 30, 2024 and 2023, Mohegan INSPIRE related construction in process totaled \$1.6 million and \$1,102.5 million, respectively.

As of September 30, 2024 and 2023, finance lease assets totaled \$37.7 million and \$96.0 million, respectively.

Depreciation expense totaled \$128.9 million, \$99.7 million and \$101.1 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

Capitalized interest related to Mohegan INSPIRE totaled \$21.6 million, \$74.4 million and \$22.3 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

In December 2021, we elected to terminate a licensing arrangement for a previously-planned sub-phase of Mohegan INSPIRE and to discontinue related design work. As a result, during fiscal 2022, we recognized a tangible asset impairment of \$23.6 million on the related construction in progress.

As of September 30, 2024, we assessed our property and equipment for any further impairment and determined that no impairment existed.

Note 6 — Intangible Assets

Intangible assets

<i>(in thousands)</i>	September 30, 2024	September 30, 2023
Mohegan Sun trademark ⁽¹⁾	\$ 119,692	\$ 119,692
Mohegan Pennsylvania gaming licenses ⁽¹⁾	171,904	171,904
Niagara Resorts Casino Operating and Services Agreement rights ⁽²⁾	21,576	16,336
Other	6,721	10,813
Intangible assets	319,893	318,745
Accumulated amortization	(9,550)	(8,252)
Intangible assets, net	<u>\$ 310,343</u>	<u>\$ 310,493</u>

⁽¹⁾ Indefinite lives.

⁽²⁾ 21-year useful life.

Amortization expense totaled \$1.3 million, \$1.3 million and \$1.4 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

As of September 30, 2024, we assessed our intangible assets for impairment and determined that no impairment existed.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 7 — Long-Term Debt

Long-term debt

<i>(in thousands)</i>	September 30, 2024			September 30, 2023
	Final Maturity	Face Value	Book Value	Book Value
Senior Secured Credit Facility	2025	\$ 25,000	\$ 25,000	\$ 78,000
Line of Credit	2025	—	—	—
2021 8% Senior Secured Notes	2026	1,175,000	1,168,979	1,164,900
2022 13.25% Senior Unsecured Notes (discount based on imputed interest rate of 14.9%)	2027	502,457	481,358	476,584
2016 7.875% Senior Unsecured Notes ⁽¹⁾	2024	22,658	22,656	22,590
Niagara Revolving Facility	2028	—	—	—
Niagara Term Loan Facility	2028	—	—	57,910
Niagara Capital Facility	2028	68,205	67,880	72,130
Korea Credit Facility	2025	761,603	738,454	680,228
Korea Term Loan (discount based on imputed interest rate of 25.7%)	2027	441,752	351,898	272,923
Korea Convertible Bonds (discount based on imputed interest rate of 10.0%)	2032	127,667	81,796	75,929
Guaranteed Credit Facility	2025	19,906	19,766	22,239
Redemption Note Payable	2024	—	—	15,267
Other	Varies	429	429	482
Long-term debt		3,144,677	2,958,216	2,939,182
Current portion of long-term debt		(471,686)	(381,689)	(26,232)
Long-term debt, net of current portion		\$ 2,672,991	\$ 2,576,527	\$ 2,912,950
Unamortized discounts and debt issuance costs			\$ 186,462	\$ 222,536

⁽¹⁾ Matured in October 2024

Maturities of long-term debt, excluding unamortized debt issuance costs and discounts, are as follows:

<i>(in thousands)</i>	
Fiscal years:	
2025	\$ 471,686
2026	1,983,535
2027	4,652
2028	556,817
2029	27
Thereafter	127,960
Total	\$ 3,144,677

Senior Secured Credit Facility

In January 2021, we entered into a credit agreement (the “Credit Agreement”) providing for a \$262.9 million senior secured revolving credit facility (the “Senior Secured Credit Facility”). On February 14, 2023, we entered into an amendment to the Senior Secured Credit Facility. Among other things, this amendment extended the maturity date of the Senior Secured Credit Facility from April 12, 2024 to November 1, 2025, reduced the borrowing capacity from \$262.9 million to \$233.5 million, effective April 12, 2024, and modified our financial maintenance covenants pertaining to total leverage and secured leverage. We incurred \$1.9 million in new costs in connection with this transaction. These costs were capitalized as an asset and are being amortized over the term of the Senior Secured Credit Facility using the effective interest method. See Note 1 for additional information on maturing facilities.

Borrowings under the Senior Secured Credit Facility accrue interest as follows: (i) for base rate loans, a base rate equal to the highest of (x) the prime rate, (y) the federal funds rate, plus 50 basis points, and (z) the daily secured overnight financing rate (“SOFR”), plus a 0.10% credit spread adjustment (subject to a 0.75% floor), plus 100 basis points and a leverage-based margin of 100 to 275 basis points and (ii) for SOFR loans, the applicable SOFR rate, plus a 0.10% credit spread adjustment (subject to

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

a 0.75% floor), plus a leverage-based margin of 200 to 375 basis points. We are also required to pay a leverage-based undrawn commitment fee under the Senior Secured Credit Facility of between 37.5 and 50 basis points.

As of September 30, 2024, outstanding borrowings under the Senior Secured Credit Facility accrue interest at between 8.67% and 11.25%. The leverage-based undrawn commitment fee was 50 basis points as of September 30, 2024.

As of September 30, 2024, letters of credit issued under the Senior Secured Credit Facility totaled \$21.3 million. Inclusive of letters of credit, which reduce borrowing availability, we had \$187.2 million of borrowing capacity under the Senior Secured Credit Facility as of September 30, 2024.

The Senior Secured Credit Facility is fully and unconditionally guaranteed, jointly and severally, by certain of our restricted subsidiaries. The Senior Secured Credit Facility is secured on a first priority senior secured basis by collateral constituting substantially all of our and our restricted subsidiaries' assets. In the future, certain other subsidiaries may be required to become guarantors under the terms of the Credit Agreement.

The Credit Agreement contains certain customary covenants applicable to us and our restricted subsidiaries, including covenants governing: incurrence of indebtedness, incurrence of liens, payment of dividends and other distributions, investments, asset sales, affiliate transactions and mergers or consolidations. Additionally, the Credit Agreement includes financial maintenance covenants pertaining to total leverage, secured leverage and fixed charge coverage, as well as a minimum liquidity covenant under certain conditions. The Credit Agreement also contains customary events of default relating to, among other things, failure to make payments, breach of covenants and breach of representations.

Line of Credit

On October 12, 2023, we entered into a \$5.0 million revolving line of credit facility with Fifth Third Bank, National Association. Borrowings under the line of credit accrue interest at SOFR plus 375 basis points. As of September 30, 2024, outstanding borrowings accrued interest at 8.69%. This facility will be used for general corporate purposes and matures on November 1, 2025.

2022 13.25% Senior Unsecured Notes

On November 29, 2022 and December 9, 2022, we entered into an exchange agreement and a related amendment, respectively, (the "Exchange Agreement") with certain holders of our 2016 7.875% Senior Unsecured Notes (the "2016 Senior Unsecured Notes"). Refer below for additional information. The Exchange Agreement provided for the exchange of the holders' approximately \$475 million 2016 Senior Unsecured Notes for newly issued senior unsecured notes with interest at 13.25% per annum (the "2022 Senior Unsecured Notes"). The 2022 Senior Unsecured Notes were issued at a ratio of \$1,052.63 in principal amount for each \$1,000 aggregate principal amount of 2016 Senior Unsecured Notes. We completed a series of settlements under the Exchange Agreement on December 9, 2022, December 14, 2022 and December 19, 2022, whereby we issued \$502.5 million in aggregate principal amount of 2022 Senior Unsecured Notes, under an indenture dated as of December 9, 2022, and cancelled \$477.3 million in aggregate principal amount of 2016 Senior Unsecured Notes. The incremental \$25.2 million in 2022 Senior Unsecured Notes issued was reflected as a debt discount, which will be amortized over the term of the 2022 Senior Unsecured Notes using the effective interest method.

The 2022 Senior Unsecured Notes mature on December 15, 2027. Interest on the 2022 Senior Unsecured Notes is payable semi-annually in arrears on June 15 and December 15, commencing on June 15, 2023.

The 2022 Senior Unsecured Notes were redeemable at a price equal to 100% of the principal amount through June 15, 2024 and at specified, fixed premiums thereafter, in each case plus accrued interest.

The 2022 Senior Unsecured Notes are unsecured, unsubordinated obligations and are guaranteed by certain of our restricted subsidiaries, as well as certain future restricted subsidiaries that guarantee more than \$25.0 million in debt.

We incurred \$2.8 million in new costs in connection with this transaction. New transaction costs totaling \$2.6 million were recorded as a loss on modification and early extinguishment of debt. The remaining costs totaling \$0.2 million were reflected as a debt discount and are being amortized over the term of the 2022 Senior Unsecured Notes using the effective interest method.

2021 8% Senior Secured Notes

In January 2021, we issued \$1.2 billion second priority senior secured notes with interest at 8% per annum (the "2021 Senior Secured Notes").

The 2021 Senior Secured Notes mature on the earlier of February 1, 2026 and the Springing Maturity Date (as defined in the 2021 Senior Secured Notes indenture). Interest on the 2021 Senior Secured Notes is payable semi-annually in arrears on February 1 and August 1.

The 2021 Senior Secured Notes are redeemable at specified prices, plus accrued interest.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The 2021 Senior Secured Notes are fully and unconditionally guaranteed, jointly and severally, by each of our restricted subsidiaries and will be guaranteed by any restricted subsidiary that becomes a guarantor under the terms of the 2021 Senior Secured Notes indenture. The 2021 Senior Secured Notes are secured on a second priority senior secured basis by collateral constituting substantially all of our and our restricted subsidiaries' assets.

The 2021 Senior Secured Notes indenture contains certain customary covenants, including our and our restricted subsidiaries' ability to incur additional debt, pay dividends or distributions, make certain investments, create liens on assets, enter into transactions with affiliates, merge or consolidate with another company or sell assets. The 2021 Senior Secured Notes indenture includes customary events of default, including, but not limited to, failure to make required payments and failure to comply with certain covenants.

2016 7.875% Senior Unsecured Notes

In 2016, we issued \$500.0 million senior unsecured notes with interest at 7.875% per annum.

In connection with the Exchange Agreement, we cancelled \$477.3 million in aggregate principal amount of 2016 Senior Unsecured Notes. Following the settlements, \$22.7 million in aggregate principal amount of 2016 Senior Unsecured Notes remained outstanding. The remaining 2016 Senior Unsecured Notes matured and were paid on October 15, 2024.

Niagara Credit Facilities

In July 2021, MGE Niagara entered into an amended and restated credit agreement providing for certain credit facilities. On August 8, 2023, MGE Niagara entered into a second amended and restated credit agreement (the "Niagara Credit Agreement") providing for senior secured credit facilities in the aggregate principal amount of 265.0 million Canadian dollars (the "Niagara Credit Facilities"). The Niagara Credit Facilities are comprised of a revolving credit facility in the amount of 85.0 million Canadian dollars (the "Niagara Revolving Facility"), a term loan facility in the amount of 80.0 million Canadian dollars (the "Niagara Term Loan Facility") and a return of capital facility in the amount of 100.0 million Canadian dollars (the "Niagara Capital Facility").

The Niagara Revolving Facility will be used for general corporate purposes. The proceeds from the Niagara Term Loan Facility were used to refinance outstanding term loans under MGE Niagara's prior amended and restated credit agreement. The proceeds from the Niagara Capital Facility were used to make return of capital payments to shareholders of MGE Niagara.

The Niagara Credit Facilities mature on August 8, 2028. The Niagara Term Loan Facility is repayable in quarterly installments of 1.25 million Canadian dollars and the Niagara Capital Facility is repayable in quarterly installments of 1.56 million Canadian dollars, commencing September 29, 2023.

Borrowings under the Niagara Credit Facilities accrue interest at a base rate plus a leverage-based spread. MGE Niagara is also required to pay a leverage-based undrawn fee under the Niagara Revolving Facility.

As of September 30, 2024, outstanding borrowings under the Niagara Capital Facility accrue interest at 7.59%. The leverage-based undrawn commitment fee under the Niagara Revolving Facility was 60 basis points as of September 30, 2024.

As of September 30, 2024, letters of credit issued under the Niagara Revolving Facility totaled \$25.9 million. Inclusive of letters of credit, which reduce borrowing availability, MGE Niagara had \$37.0 million of borrowing capacity under the Niagara Revolving Facility as of September 30, 2024.

MGE Niagara is an unrestricted subsidiary under our existing credit facilities and indentures and the Niagara Credit Facilities are non-recourse to us and our restricted subsidiaries.

The Niagara Credit Facilities are secured by, among other things, substantially all of the properties and assets of MGE Niagara, subject to certain customary exceptions, as well as by a pledge of all of the issued and outstanding shares of MGE Niagara.

The Niagara Credit Agreement contains customary covenants applicable to MGE Niagara, including covenants governing: incurrence of indebtedness, incurrence of liens, payment of dividends and other distributions, asset sales, acquisitions and investments, affiliate transactions and fundamental changes. The Niagara Credit Agreement also includes financial maintenance covenants pertaining to total leverage and fixed charge coverage. In addition, the Niagara Credit Agreement contains customary events of default relating to, among other things, failure to make payments, breach of covenants and breach of representations.

New transaction costs totaling \$0.3 million were capitalized as an asset and \$0.7 million were reflected as a debt discount. These costs are being amortized over the term of the Niagara Credit Facilities using the effective interest method.

Niagara Convertible Debenture

In 2019, MGE Niagara issued a convertible debenture (the "Niagara Convertible Debenture") to a third-party investor in an aggregate principal amount of 40.0 million Canadian dollars.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Simultaneously with the execution of the Niagara Credit Agreement and pursuant to the terms of the Niagara Convertible Debenture, the Niagara Convertible Debenture holder exercised its conversion option to convert the Niagara Convertible Debenture into Class B Special shares representing 40% of the capital of MGE Niagara. In connection with this transaction, the Company and the Niagara Convertible Debenture holder received 60.0 million Canadian dollars and 40.0 million Canadian dollars, respectively, from proceeds from the Niagara Capital Facility.

Korea Credit Facility

In September 2021, Inspire Integrated Resort entered into a loan agreement providing for a loan commitment of up to 1.04 trillion Korean won (“KRW”) in two tranches (the “Korea Credit Facility”), comprised of a 740.0 billion KRW credit facility (the “Tranche A Facility”) and a 300.0 billion KRW credit facility (the “Tranche B Facility”). The Korea Credit Facility is being used to pay for the construction, operation, financial and other project costs in connection with Mohegan INSPIRE. The Korea Credit Facility matures 48 months after the date of the first draw, which was November 29, 2021. See Note 1 for additional information on maturing facilities.

Mandatory prepayments are required under the Korea Credit Facility in connection with certain specified asset dispositions or receipt of insurance proceeds, without a prepayment fee. The Korea Credit Facility may not be voluntarily prepaid in whole or in part until one year after the date of the first draw. After such date, any voluntary prepayment requires a Prepayment Fee (as defined in the Korea Credit Facility agreement).

Borrowings outstanding under the Tranche A Facility accrue interest at a fixed rate of 5.4% per annum or a floating rate equal to the sum of a base rate and an applicable margin (as defined in the Korea Credit Facility agreement). Loans outstanding under the Tranche B Facility accrue interest at a fixed rate of 7.0% per annum or a floating rate equal to the sum of a base rate and an applicable margin (as defined in the Korea Credit Facility agreement). The Korea Credit Facility includes an interest reserve whereby a portion of loan proceeds is reserved for payment of interest. Interest on Tranche A Facility loans is fully reserved and interest on Tranche B Facility loans is reserved for 36 months. If any portion of the Korea Credit Facility is undrawn, Inspire Integrated Resort is required to pay a 0.3% commitment fee on the undrawn amount.

As of September 30, 2024, outstanding borrowings under the Korea Credit Facility accrue interest at between 5.40% and 7.66%.

Inspire Integrated Resort is an unrestricted subsidiary under our existing credit facilities and indentures and the Korea Credit Facility is non-recourse to us and our restricted subsidiaries.

The Korea Credit Facility is secured by liens on substantially all assets of, and equity interests in, Inspire Integrated Resort (subject to certain exceptions and limitations).

The Korea Credit Facility contains certain customary covenants applicable to Inspire Integrated Resort, including covenants governing: incurrence of indebtedness, incurrence of liens, investments, mergers or consolidations, asset sales, acquisitions of assets, the payment of dividends and other distributions and affiliate transactions. In addition, the Korea Credit Facility includes other covenants, representations and warranties and events of default that are customary for financing transactions of this type.

In connection with the Korea Credit Facility, we entered into a credit enhancement support agreement to provide up to \$100.0 million credit enhancement support for Inspire Integrated Resort's payment of principal, interest and other sums due under the Korea Credit Facility.

Korea Term Loan

In November 2021, Korea Limited, a wholly-owned subsidiary and parent company of Inspire Integrated Resort, entered into a \$275.0 million secured term loan facility agreement (the “Korea Term Loan”). Korea Limited received funding from the Korea Term Loan on November 24, 2021 (the “Utilisation Date”). The Korea Term Loan was primarily used to make a capital contribution to Inspire Integrated Resort to partially fund construction-related costs for Mohegan INSPIRE. The Korea Term Loan matures 66 months after the Utilisation Date.

If the Korea Term Loan is voluntarily prepaid, if certain mandatory prepayment events are triggered or if it is repaid following a notice of acceleration, we are required to pay a Prepayment Fee (as defined in the Korea Term Loan agreement).

The Korea Term Loan accrues payment-in-kind interest at a rate of 17.0% per annum, to be compounded and capitalized at the end of each quarter, or paid in cash if so elected by Korea Limited.

Korea Limited is an unrestricted subsidiary under our existing credit facilities and indentures and the Korea Term Loan is non-recourse to us and our restricted subsidiaries.

The Korea Term Loan is secured by a fixed charge over 100% of Korea Limited's share capital and a debenture over the assets of Korea Limited (subject to certain exceptions and limitations).

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The Korea Term Loan contains certain customary covenants, including covenants governing: incurrence of indebtedness, incurrence of liens, payment of dividends and other distributions, disposals, acquisitions and investments, arm’s length transactions, mergers and the development and management of Mohegan INSPIRE. In addition, the Korea Term Loan includes financial maintenance covenants pertaining to net leverage and debt service coverage of Korea Limited and Inspire Integrated Resort, and contains a requirement that Inspire Integrated Resort maintain a minimum cash balance in the amounts set forth in the Korea Term Loan agreement. The Korea Term Loan also contains customary events of default relating to, among other things, failure to make payments, breach of covenants and breach of representations. See Note 1 for additional information on maturing facilities.

Korea Warrant Agreement

In connection with the Korea Term Loan, in November 2021, MGE Korea Holding III Limited (“Korea Holding III”), the parent company of Korea Limited and a wholly-owned subsidiary of the Company, entered into a warrant agreement (the “Warrant Agreement”) to issue detachable warrants (the “Warrants”). The Warrants can be converted into up to a total of 4,400 shares of capital in Korea Holding III at an initial exercise price of \$0.01 per share. At the time of issuance, the Warrants represented 22.0% of the fully-diluted share capital of Korea Holding III.

The Warrants are generally exercisable at any time after the third anniversary of the Utilisation Date (November 2024) until the tenth anniversary of the Utilisation Date (November 2031), but may be exercised earlier upon certain triggering events defined in the Warrant Agreement. Upon the earlier of: (i) the tenth anniversary of the Utilisation Date (November 2031) and (ii) the consummation of an Exit Event (as defined in the Warrant Agreement), all unexercised Warrants will expire.

Warrant holders do not have any rights held by holders of shares in the capital of Korea Holding III to vote or to receive dividends and other distributions (other than as set forth in the Warrant Agreement). Warrant holders and shareholders of Korea Holding III have certain preemptive rights in relation to any proposed issuance of equity securities by Korea Holding III or certain affiliates (as defined in the Warrant Agreement), subject to customary exceptions.

Holders of unexercised Warrants have the right to require the parent of Korea Holding III (the “Parent”) to purchase all of the unexercised Warrants that they hold at certain relevant times (the “Put Option”). In turn, the Parent has the right to require the holders of unexercised Warrants to sell all of the unexercised Warrants they hold at certain relevant times (the “Call Option”). Both the Put Option and the Call Option are exercisable at any time in the period from (and including) the date six years and six months after the Utilisation Date (May 2028) until the tenth anniversary of the Utilisation Date (November 2031). The aggregate cash purchase price for both the Put Option and the Call Option equals the higher of: (i) the fair market value of the relevant unexercised Warrants and (ii) \$110.0 million, multiplied by a fraction, the numerator of which is the number of the relevant unexercised Warrants and the denominator of which is the total number of Warrants.

The Warrants and the Put Option are classified as long-term liabilities and are re-measured at their estimated fair values at each reporting date. The estimated fair value of the Warrants and the Put Option was determined by utilizing the income approach (discounted cash flow method) and a binomial lattice model. This valuation approach utilized Level 3 inputs. The primary unobservable inputs utilized were the discount rate, which was 9.0%, and the expected volatility of the underlying stock price, which was 60.0%. In addition, projected cash flows are utilized in this valuation approach.

Warrants and Put Option

(in thousands)

Balance, September 30, 2022	\$	47,300
Unrealized loss		1,490
Balance, September 30, 2023		<u>48,790</u>
Unrealized loss		76,890
Balance, September 30, 2024	\$	<u><u>125,680</u></u>

Korea Convertible Bonds

On December 27, 2022, Inspire Integrated Resort and a third-party investor executed a junior convertible bonds subscription agreement (the “Korea Convertible Bonds Subscription Agreement”) pursuant to which Inspire Integrated Resort agreed to issue non-registered, non-guaranteed junior convertible bonds (the “Korea Convertible Bonds”) in the amount of 100.0 billion KRW. The Korea Convertible Bonds were funded on December 30, 2022 and March 30, 2023 in two equal tranches of 50.0 billion KRW.

The Korea Convertible Bonds accrue interest at a fixed rate of 5.5% per annum and mature on December 30, 2032. Interest on the Korea Convertible Bonds is payable every three months, commencing on the date that is three months after the funding of each respective tranche. At maturity, Inspire Integrated Resort is required to pay a redemption amount equal to a yield-to-maturity rate of 10% per annum, compounding annually, applicable to the principal amount of any Korea Convertible Bonds then outstanding, less the amount of interest paid on such principal as of the maturity date (the “YTM Amount”). This

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

redemption amount totaling \$50.4 million was reflected as an increase to the face value of the Korea Convertible Bonds as of the first funding date, offset by a corresponding debt discount which will be amortized over the term of the Korea Convertible Bonds using the effective interest method.

Commencing on the 36-month anniversary of the funding of each respective tranche, Inspire Integrated Resort may pay prior to maturity an amount not to exceed 70% of the aggregate face value of the Korea Convertible Bonds at a redemption price equal to 100% of the principal amount of the Korea Convertible Bonds redeemed, plus an amount equal to the YTM Amount.

Commencing on the 60-month anniversary of the funding of each respective tranche, the third-party investor is entitled to require Inspire Integrated Resort to prepay before maturity all or part of the outstanding principal of the Korea Convertible Bonds at a redemption price equal to 100% of the principal amount of the Korea Convertible Bonds redeemed, plus accrued interest.

In addition, commencing on the 60-month anniversary of the funding of each respective tranche, the third-party investor shall have the right to convert the Korea Convertible Bonds into common shares of Inspire Integrated Resort, not to exceed 5% of the total number of outstanding shares of Inspire Integrated Resort, at an initial conversion price equal to 99,960 Korean won per share (the “Conversion Price”). The Conversion Price is subject to adjustment from time to time upon certain events as defined under the Korea Convertible Bonds Subscription Agreement.

All obligations of Inspire Integrated Resort are secured, on a class 3 beneficiary basis, by liens on substantially all assets of, and the equity interests in, Inspire Integrated Resort as of the execution date or acquired thereafter and certain assets related thereto, in each case, subject to certain exceptions and limitations.

The Korea Convertible Bonds are junior in priority to borrowings under the Korea Credit Facility and Korea Term Loan and no amounts other than interest may be paid to the third-party investor under the Korea Convertible Bonds Subscription Agreement until Inspire Integrated Resort has repaid any amounts due to its senior lenders, unless otherwise agreed by the senior lenders. Accordingly, the third-party investor may not, among other things, accelerate payment of the Korea Convertible Bonds or foreclose on any security prior to the repayment of any amounts due to the senior lenders.

Guaranteed Credit Facility

In 2018, we entered into loan agreements providing for \$35.0 million in term loans under the Indian Loan Guaranty, Insurance and Interest Subsidy Program (the “Guaranteed Credit Facility”). On April 24, 2023, we entered into an amendment to the Guaranteed Credit Facility. Among other things, the amendment extended the maturity date of the Guaranteed Credit Facility from October 1, 2023 to October 1, 2025. The Guaranteed Credit Facility is repayable, in quarterly installments, at a rate of \$2.6 million per annum, commencing January 1, 2019. As of September 30, 2024, outstanding borrowings under the Guaranteed Credit Facility accrue interest at 7.95%. The Guaranteed Credit Facility subjects us to certain covenant requirements.

Redemption Note Payable

In 2017, Salishan-Mohegan redeemed the membership interest in Salishan-Mohegan that was previously held by Salishan Company, LLC for a redemption price of \$114.8 million, payable through a promissory note (the “Redemption Note Payable”). The Redemption Note Payable is payable in monthly installments of \$1.9 million over a five-year period, commencing in May 2019. The final payment was made in April 2024. We recognized interest expense relating to the amortization of discount to the Redemption Price, utilizing the effective yield method.

Note 8 — Leases

Lessee

We lease real estate and equipment under various operating and finance lease agreements. The leases have remaining terms ranging from approximately one month to 47 years and do not contain any material residual value guarantees or restrictive covenants. Rental payments under these lease agreements are fixed and/or variable based on periodic adjustments for inflation, performance, usage or appraised land values. Variable components of lease payments are not included in the calculation of right-of-use assets and liabilities.

Our lease arrangements contain both lease and non-lease components. For instances in which we are a lessee, we account for both lease and non-lease components as a single lease component for substantially all classes of underlying assets (primarily real estate and equipment). Leases with an expected or initial term of 12 months or less are not recorded on our Balance Sheets.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Information related to weighted average lease terms and discount rates is as follows:

September 30, 2024

Weighted average remaining lease terms (years):	
Operating leases	19
Finance leases	15
Weighted average discount rates:	
Operating leases	7.77 %
Finance leases	8.00 %

The components of lease expense are as follows:

<i>(in thousands)</i>	For the Fiscal Years Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Operating lease expense	\$ 44,971	\$ 44,122	\$ 44,065
Short-term lease expense	42,864	43,861	43,642
Variable lease expense	17,569	18,752	18,133
Finance lease expense:			
Amortization of right-of-use assets	7,375	6,916	6,494
Interest on lease liabilities	5,644	8,673	8,740
Sublease income ⁽¹⁾	(24,504)	(43,269)	(38,298)
Total	\$ 93,919	\$ 79,055	\$ 82,776

⁽¹⁾ Represents income earned from the rental of hotel, convention, or retail space at the Niagara Resorts and the Earth Hotel Tower at Mohegan Sun, both of which are leased properties.

Supplemental cash flow information related to lease liabilities is as follows:

<i>(in thousands)</i>	For the Fiscal Years Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:			
Payments on operating lease obligations	\$ 39,029	\$ 42,530	\$ 38,842
Payments for interest on finance lease obligations	9,117	8,524	4,714
Payments on finance lease obligations	7,062	4,442	5,553
Total	\$ 55,208	\$ 55,496	\$ 49,109

Maturities of lease obligations are as follows:

<i>(in thousands)</i>	Operating Leases	Finance Leases
Fiscal years:		
2025	\$ 38,765	\$ 9,775
2026	38,914	9,224
2027	38,787	4,499
2028	39,026	2,580
2029	42,355	2,132
Thereafter	645,582	21,818
Total future lease payments	843,429	50,028
Amounts representing interest	(479,588)	(10,941)
Residual values	—	287
Present value of future lease payments	363,841	39,374
Current portion of lease obligations	(7,539)	(8,069)
Lease obligations, net of current portion	\$ 356,302	\$ 31,305

Lessor

We lease space at our facilities to third parties. Remaining lease terms for these non-cancelable operating leases range from approximately one month to 13 years. Rental income under these lease agreements is fixed and/or variable based on percentage of tenant sales or periodic adjustments for inflation. Rental income is recorded within hotel and retail, entertainment and other revenues. For instances in which we are the lessor, and the class of underlying asset represents retail space, we account for both the lease and non-lease components, such as common area maintenance and tenant services, as a single lease component. In all

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

other instances, non-lease components are accounted for separately in accordance with applicable guidance, most commonly ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)”.

Rental income consists of the following:

<i>(in thousands)</i>	For the Fiscal Years Ended					
	September 30, 2024		September 30, 2023		September 30, 2022	
	Hotel	Retail, Entertainment and Other	Hotel	Retail, Entertainment and Other	Hotel	Retail, Entertainment and Other
Fixed rent	\$ 101,400	\$ 15,877	\$ 66,182	\$ 7,813	\$ 66,375	\$ 6,799
Variable rent	1,111	17,093	—	12,149	—	10,885
Total	\$ 102,511	\$ 32,970	\$ 66,182	\$ 19,962	\$ 66,375	\$ 17,684

Fixed rental income that we expect to earn under non-cancelable operating leases, exclusive of amounts under contingent rent escalation clauses, is as follows:

<i>(in thousands)</i>	Fixed Rental Income
Fiscal years:	
2025	\$ 9,543
2026	10,299
2027	8,435
2028	7,405
2029	6,158
Thereafter	5,278
Total	\$ 47,118

The portions of Mohegan Sun, including the Sky Hotel Tower and the Earth Expo & Convention Center, and Mohegan Pennsylvania that are leased to third parties under operating leases are recorded within property and equipment, net as follows:

<i>(in thousands)</i>	September 30, 2024	September 30, 2023
Property and equipment, at cost	\$ 779,378	\$ 490,323
Accumulated depreciation	(268,481)	(248,550)
Property and equipment, net	\$ 510,897	\$ 241,773

Note 9 — Related Party Transactions

Services

The Mohegan Tribe provides us certain governmental and administrative services. We incurred expenses for such services totaling \$38.0 million, \$36.4 million and \$37.5 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

We purchase most of our utilities, including electricity, gas, water, and waste water services, from an instrumentality of the Mohegan Tribe. We incurred costs for such utilities totaling \$17.4 million, \$19.8 million and \$22.0 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

Leases

We lease the land on which Mohegan Sun is located from the Mohegan Tribe under a long-term lease agreement. The current term of 25 years, which commenced in October 2016, is renewable by us for an additional 25 years upon expiration. The lease agreement requires us to make a nominal annual rental payment.

We lease the Earth Hotel Tower at Mohegan Sun from a subsidiary of the Mohegan Tribe. We incurred rental expense relating to this lease totaling \$8.6 million for each of the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

We lease Casino Niagara from an affiliate, the holder of the previously discussed Niagara Convertible Debenture (refer to Note 7). This lease agreement is classified as a finance lease and requires us to make monthly payments of approximately 500,000 Canadian dollars (approximately \$369,950 as of September 30, 2024) until the end of the lease term on March 31, 2040.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 10 — Employee Benefit Plans

We offer a retirement savings plan for our employees under Section 401(k) and Section 401(a) of the Internal Revenue Code (the “Mohegan Retirement and 401(k) Plan”). We currently make discretionary matching contributions of 50%, up to the first 6% of participants’ eligible compensation contributed to the 401(k) portion of the plan. We contributed \$4.8 million, \$4.9 million and \$4.3 million, net of forfeitures, to the Mohegan Retirement and 401(k) Plan for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

We, together with the Mohegan Tribe, offer a non-qualified deferred compensation plan for certain key employees (the “Mohegan Deferred Compensation Plan”). As of September 30, 2024 and 2023, assets under the Mohegan Deferred Compensation Plan totaled \$14.1 million and \$10.5 million, respectively. The liability associated with the plan was \$14.6 million and \$10.6 million as of September 30, 2024 and 2023. The related asset and liability are recorded within other current assets and accrued payroll, respectively.

We, together with the Mohegan Tribe, offer a benefit plan for certain eligible employees (the “Mohegan Benefit Plan”). The Mohegan Benefit Plan is sponsored by the Mohegan Tribe for the benefit of participants who authorize the purchase of life insurance policies as a means of providing certain life insurance benefits to the participants and their spouses as joint insured. As of September 30, 2024 and 2023, balances under the Mohegan Benefit Plan totaled \$10.6 million and \$9.5 million, respectively, and are recorded within other assets, net.

Note 11 — Income Taxes

Similar to other sovereign governments, the Mohegan Tribe and its entities, including the Company, are not subject to United States federal income taxes. However, certain of our non-tribal entities are subject to income taxes in various domestic and foreign jurisdictions. Cash paid for income taxes totaled \$10.8 million, of which \$10.7 million was paid to the Canadian tax authority and \$0.1 million was paid to South Korean tax authorities.

The components of income before income tax are as follows:

<i>(in thousands)</i>	For the Fiscal Years Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Domestic income	\$ 110,375	\$ 94,450	\$ 104,432
Foreign loss	(346,233)	(61,858)	(20,426)
Income (loss) before income tax	<u>\$ (235,858)</u>	<u>\$ 32,592</u>	<u>\$ 84,006</u>

The components of income tax benefit (provision) are as follows:

<i>(in thousands)</i>	For the Fiscal Years Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Current:			
Federal	\$ —	\$ —	\$ —
State	(256)	(1)	292
Foreign	(10,619)	(4,158)	—
Total	<u>(10,875)</u>	<u>(4,159)</u>	<u>292</u>
Non-current:			
Federal	—	—	—
State	122	—	—
Foreign	12,071	(5,538)	(9,102)
Total	<u>12,193</u>	<u>(5,538)</u>	<u>(9,102)</u>
Income tax benefit (provision)	<u>\$ 1,318</u>	<u>\$ (9,697)</u>	<u>\$ (8,810)</u>

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The components of deferred income tax benefit or provision result from various temporary differences and relate to items included within the Statements of Operations. The tax effect of these temporary differences are recorded within deferred income tax assets or liabilities as follows:

	September 30, 2024	September 30, 2023
Deferred income tax assets:		
Foreign net operating loss carryforward	\$ 66,075	\$ 17,774
Lease obligations	118,193	77,251
Limitation on interest expense deduction	30,467	20,139
Accumulated book depreciation in excess of tax depreciation	—	2,786
Accrued expenses	18,842	—
Allowances for bad debt	2,014	—
Foreign tax credits	2,997	—
Other	1,731	1,408
Valuation allowance	(106,616)	(37,961)
Total	133,703	81,397
Deferred income tax liabilities:		
Casino Operating and Services Agreement contract asset	(1,654)	(13,873)
Right-of-use lease assets	(106,949)	(67,185)
Uncertain tax position	—	(1,193)
Long-term borrowings	(5,279)	—
Accrued interest	(3,354)	—
Accumulated tax depreciation in excess of book depreciation	(3,883)	—
Other	(901)	(782)
Total	(122,020)	(83,033)
Deferred income tax asset (liability), net ⁽¹⁾	\$ 11,683	\$ (1,636)

⁽¹⁾ Deferred income tax assets are recorded within other assets, net, and deferred income tax liabilities are recorded within other long-term liabilities.

As of September 30, 2024, we have gross income tax net operating loss carryforwards related to our foreign operations of \$309.4 million. Such deferred tax assets expire as follows:

(in thousands)

Fiscal years:

2025 through 2029	\$ 7,183
2030 through 2034	3,742
2035 through 2039	271,142
2040 through 2044	19,242
Indefinite	8,050
Total	\$ 309,359

We assess the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of existing deferred tax assets. A significant objective negative evidence assessed was the cumulative loss incurred in connection with Mohegan INSPIRE. Such objective evidence limits the ability to consider other subjective evidence, such as our projections of future taxable income.

Based on this assessment, we recorded a valuation allowance of \$106.6 million as of September 30, 2024, to recognize the portion of deferred tax assets that is more likely than not to be realized. However, the amount of deferred tax assets currently considered to be realizable may be adjusted in future periods if objective evidence in the form of taxable income is realized and additional weight is given to subjective evidence, such as our projections of taxable income.

The Company had uncertain tax positions of \$0.9 million as of September 30, 2024 and September 30, 2023. Interest and penalties total \$0.4 million and \$0.3 million related to its foreign jurisdictions for the years ended September 30, 2024 and September 30, 2023.

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 12 — Commitments and Contingencies

Slot Win Contribution

The Mohegan Tribe and the State of Connecticut entered into a Memorandum of Understanding (“MOU”), which sets forth certain matters regarding implementation of the Mohegan Compact. The MOU stipulates that a portion of revenues from slot machines must be paid to the State of Connecticut (“Slot Win Contribution”). Slot Win Contribution payments are not required if the State of Connecticut legalizes any other gaming operation with slot machines, video facsimiles of games of chance, or other commercial casino games within the state of Connecticut, except those consented to by the Mohegan Tribe and the Mashantucket Pequot Tribe. Annual Slot Win Contribution payments are the lesser of: (i) 30% of gross revenues from slot machines and (ii) the greater of 25% of gross revenues from slot machines or \$80.0 million.

Pennsylvania Slot Machine Tax

The Pennsylvania Race Horse Development and Gaming Act stipulates that holders of Category One slot machine licenses, including Mohegan Pennsylvania, must pay a portion of revenues from slot machines and other assessments to the PGCB (collectively, the “Pennsylvania Slot Machine Tax”). The Pennsylvania Slot Machine Tax approximates 52% of gross revenues from slot machines, plus an annual \$10.0 million slot machine operation fee.

Niagara Resorts Casino Operating and Services Agreement Thresholds

We operate the Niagara Resorts under the terms of a 21-year Casino Operating and Services Agreement with the OLG. Annual Threshold amounts under COSA are contractually established and vary from year to year. If gaming revenues are less than the Threshold for any given year, we are obligated to make a payment to cover the related shortfall (refer to Note 2).

Priority Distribution

We and the Mohegan Tribe are parties to a perpetual agreement, which requires us to make payments to the Mohegan Tribe to the extent of our Net Cash Flow, as defined, subject to a minimum payment of \$40.0 million per calendar year.

Purchase and Other Contractual Obligations

As of September 30, 2024, we were contractually committed to purchase goods and services totaling \$16.9 million, of which \$7.5 million is expected to be incurred in fiscal 2025.

Mohegan INSPIRE Commitment

In connection with the Korea Term Loan entered into November 2021, if needed, we have committed to making additional investments of up to 50 billion Korean won (approximately \$38 million as of September 30, 2024) if such contribution is necessary for Mohegan INSPIRE to maintain a specified minimum cash balance. In addition, we have committed to making additional investments of up to 30 billion Korean won (approximately \$22.9 million as of September 30, 2024) to fund pre-opening costs and expenses, pay for certain increased costs, and provide for additional project contingency. Additionally, we have issued a standby letter of credit in the amount of 24 billion Korean won (approximately \$18.3 million as of September 30, 2024) to secure Mohegan INSPIRE’s obligations to the Incheon International airport Corporation with respect to expanded development outside of the current Mohegan INSPIRE’s footprint.

Litigation

We are a defendant in various claims and legal actions resulting from our normal course of business, primarily relating to personal injuries to customers and damages to customers' personal assets. We estimate litigation claims expense and accrue for such liabilities based upon historical experience. In management's opinion, the aggregate liability, if any, arising from such legal actions will not have a material impact on our financial position, results of operations or cash flows.

Mohegan INSPIRE Construction Claim

The general contractor responsible for the Mohegan INSPIRE construction development has claimed amounts due from Mohegan INSPIRE for reimbursement of costs related to change orders and for certain other claims. Mohegan INSPIRE has been engaged in discussions with the general contractor over these claims, and Mohegan INSPIRE has been informed that the general contractor has brought some of these claims to litigation.

As of the date hereof, Mohegan INSPIRE has not been given formal notice of any litigation or of the claims in such litigation. We believe we have substantial defenses and offsetting claims to the claims asserted by the general contractor, including for delays and repairs. However, it is too early for the Company to determine the likelihood of an unfavorable outcome or to quantify a potential loss in any such litigation.

Note 13 — Subsequent Events

On October 15, 2024 the remaining 2016 Senior Unsecured Notes matured and were paid in full (refer to Note 7).

MOHEGAN TRIBAL GAMING AUTHORITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

We have evaluated events subsequent to September 30, 2024 through the issuance of the accompanying consolidated financial statements on December 31, 2024, and have not identified any additional events for disclosure.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The statements in this discussion regarding our expectations related to our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See “Cautionary Statements Regarding Forward-Looking Information” within this annual report.

The following discussion and analysis of our financial condition and results of operations for the fiscal year ended September 30, 2024 should be read in conjunction with our financial statements and the notes thereto and other financial information included elsewhere within this annual report.

For a discussion of the comparison of our financial position and operating results for the fiscal years ended September 30, 2023 and 2022, refer to our Annual Report for the fiscal year ended September 30, 2023, available on our website at www.mohegangaming.com, under the “Investor Relations/Financial Updates” section.

For a discussion of our net income before interest, income taxes, depreciation and amortization, adjusted to exclude certain non-cash and other items (“Adjusted EBITDA”), refer to our quarterly operating results press releases on our website at www.mohegangaming.com, under the “Investor Relations/Financial Updates” section.

Our Operations

Operations	Location	Opening Year	Property Square Footage	Slot Machines	Table Games	Hotel Rooms	Food & Beverage and Retail Outlets	Primary Entertainment Venue (Seats)
Owned								
Mohegan Sun	Uncasville, CT	1996	310,000	3,405	245	1,562	89	10,000
Mohegan Pennsylvania	Wilkes-Barre, PA	2006	95,000	1,585	67	238	17	1,500
Mohegan INSPIRE ⁽¹⁾	Incheon, South Korea	2023	352,814	590	159	1,275	67	15,000
iGaming	Connecticut, United States Ontario, Canada Pennsylvania, United States	2021 2022 2024	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Operated/Managed								
Fallsview Casino Resort	Niagara Falls, ON	2004	160,000	3,330	110	372	45	5,000
Casino Niagara	Niagara Falls, ON	1996	70,000	1,400	30	N.A.	2	N.A.
Mohegan Casino Las Vegas ⁽²⁾	Las Vegas, NV	2021	62,800	542	43	1,504	21	4,600
Resorts Casino Hotel ⁽³⁾	Atlantic City, NJ	1978	78,260	1,280	70	942	22	1,250
			<u>1,128,874</u>	<u>12,132</u>	<u>724</u>	<u>5,893</u>	<u>263</u>	<u>37,350</u>

⁽¹⁾ Opened integrated entertainment resort phase on November 29, 2023. Gaming phase in early 2024.

⁽²⁾ In August 2024, we entered into a Casino Purchase Agreement pursuant to which the landlord will acquire Mohegan Casino Las Vegas. The transaction is subject to regulatory approval.

⁽³⁾ 10% ownership.

N.A. Not Applicable.

Mohegan Sun

Mohegan Sun is located on an approximately 196-acre site on the Mohegan Tribe's reservation overlooking the Thames River with direct access from Interstate 395 and Connecticut Route 2A. Mohegan Sun is approximately 125 miles from New York City, New York, and approximately 100 miles from Boston, Massachusetts. The facility is one of two authorized gaming and entertainment facilities in the state of Connecticut and competes primarily with gaming operations in Massachusetts, Rhode Island, and New York.

Mohegan Pennsylvania

Mohegan Pennsylvania is located on an approximately 400-acre site in Wilkes-Barre, Pennsylvania, and features live harness racing. The facility is located off of Interstate 81 and is approximately eight miles from the Wilkes-Barre/Scranton International Airport. Mohegan Pennsylvania is one of 17 gaming and entertainment facilities in the state of Pennsylvania and competes primarily with facilities in Bethlehem and Mount Pocono.

Mohegan INSPIRE

On November 29, 2023, we opened the integrated entertainment resort phase of Mohegan INSPIRE. This phase encompasses a premier hotel comprising of three towers with 1,275 rooms; INSPIRE Arena, a multi-purpose indoor performance venue with a total capacity of 15,000 seats; and Aurora, a 150-meter-long digital entertainment street featuring super-large light-emitting diode screens. This phase also showcases Splash Bay, a glass-domed indoor water park, more than 10 owned restaurants, and

state-of-the-art meeting, incentive, conference and exhibition facilities. The gaming phase of the facility opened in early 2024. Mohegan INSPIRE competes primarily with another casino resort located in Incheon and several other smaller casino-only operations located in downtown Seoul.

iGaming

In 2021, we launched our Mohegan Digital division to provide iGaming solutions and to capitalize on the growth and expansion of the iGaming industry, both domestically and internationally. iGaming commenced in Connecticut in October 2021, in Ontario in August 2022, and in Pennsylvania in April 2024.

Niagara Resorts

We operate the Niagara Resorts under a Casino Operating and Services Agreement. The Niagara Resorts include Fallsview Casino Resort, Casino Niagara and the OLG Stage at Fallsview Casino, all in Niagara Falls, Canada. Fallsview Casino Resort, which overlooks the iconic Horseshoe Falls, and Casino Niagara are the only two gaming and entertainment facilities in Niagara Falls, Canada. The Niagara Resorts compete primarily with facilities in Toronto, Ontario and Niagara Falls, New York.

Mohegan Casino Las Vegas

We operate Mohegan Casino Las Vegas, a more than 60,000-square-foot gaming facility at Virgin Hotels Las Vegas, in Las Vegas, Nevada. The integrated resort, including Mohegan Casino Las Vegas, competes primarily with resorts and casinos in Las Vegas.

Resorts Casino Hotel

We manage Resorts Casino Hotel and own 10% of the casino's holding company and its subsidiaries, including those conducting or licensing iGaming and retail sports wagering in the state of New Jersey. Resorts Casino Hotel, the first casino hotel in Atlantic City, New Jersey, opened in 1978, becoming the first legal casino outside of the state of Nevada. Resorts Casino Hotel is one of nine casinos operating in Atlantic City and competes primarily with resorts and casinos in Atlantic City, New Jersey, Pennsylvania and New York.

Seasonality

The gaming markets in the Northeastern United States and Niagara Falls, Canada, are seasonal in nature, with peak gaming activities often occurring during the months of May through August. iGaming is also seasonal in nature, with peak gaming occurring during the months of September through March.

Discussion of Consolidated Operating Results

Consolidated Operating Results

(in thousands)	For the Fiscal Years Ended September 30,			Variance 2024 vs. 2023	
	2024	2023	2022	\$	%
Net revenues:					
Gaming	\$ 1,242,486	\$ 1,146,124	\$ 1,122,864	\$ 96,362	8.4 %
Food and beverage	197,431	157,569	134,724	39,862	25.3 %
Hotel	154,145	118,211	115,828	35,934	30.4 %
Retail, entertainment and other	294,803	250,277	217,095	44,526	17.8 %
Net revenues	<u>\$ 1,888,865</u>	<u>\$ 1,672,181</u>	<u>\$ 1,590,511</u>	216,684	13.0 %
Operating costs and expenses:					
Gaming	\$ 692,922	\$ 601,734	\$ 573,561	\$ 91,188	15.2 %
Food and beverage	179,172	129,330	111,379	49,842	38.5 %
Hotel	65,036	49,769	47,689	15,267	30.7 %
Retail, entertainment and other revenue	131,020	98,750	79,289	32,270	32.7 %
Advertising, general and administrative	402,268	322,146	309,160	80,122	24.9 %
Corporate	60,912	65,854	65,034	(4,942)	(7.5)%
Depreciation and amortization	130,297	101,046	102,625	29,251	28.9 %
Impairment of tangible assets	6,372	—	23,565	6,372	N.M.
Impairment of intangible assets	—	—	12,869	—	N.M.
Other, net	51,799	39,020	19,106	12,779	32.7 %
Total operating costs and expenses	<u>\$ 1,719,798</u>	<u>\$ 1,407,649</u>	<u>\$ 1,344,277</u>	312,149	22.2 %

Segment Operating Results

(in thousands)	For the Fiscal Years Ended September 30,			Variance 2024 vs. 2023	
	2024	2023	2022	\$	%
Net revenues:					
Domestic	\$ 1,233,137	\$ 1,198,559	\$ 1,229,093	\$ 34,578	2.9 %
International	448,182	314,536	279,263	133,646	42.5 %
Mohegan Digital	160,710	100,575	23,648	60,135	59.8 %
Management, development and other	71,659	110,366	66,041	(38,707)	(35.1)%
Corporate and other	135	441	575	(306)	(69.4)%
Eliminations	(24,958)	(52,296)	(8,109)	27,338	52.3 %
Net revenues	<u>\$ 1,888,865</u>	<u>\$ 1,672,181</u>	<u>\$ 1,590,511</u>	216,684	13.0 %
Operating costs and expenses:					
Domestic	\$ 1,004,357	\$ 975,809	\$ 976,640	\$ 28,548	2.9 %
International	561,745	338,603	298,761	223,142	65.9 %
Mohegan Digital	82,052	52,216	11,333	29,836	57.1 %
Management, development and other	44,220	41,361	19,263	2,859	6.9 %
Corporate and other	52,382	41,926	48,406	10,456	24.9 %
Eliminations	(24,958)	(42,266)	(10,126)	17,308	41.0 %
Total operating costs and expenses	<u>\$ 1,719,798</u>	<u>\$ 1,407,649</u>	<u>\$ 1,344,277</u>	312,149	22.2 %

Domestic

Revenues

Net revenues increased \$34.6 million, or 2.9%, for the twelve months ended September 30, 2024 when compared with prior year. The increase was primarily the result of increased entertainment revenues (+43%) attributable to favorable show mix at

Mohegan Sun Connecticut. Food and beverage sales benefited from the strong entertainment volume with revenues increasing 5%.

Operating Costs and Expenses

Operating costs and expenses increased \$28.5 million, or 2.9%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. The increase reflects higher sports and entertainment expenses commensurate with the increase in entertainment revenues, combined with the impairment of assets held for sale.

International

Revenues

Net revenues increased \$133.6 million, or 42.5%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. These increases reflect the opening of Mohegan INSPIRE in November, 2023, as well as an increase in entertainment volumes and related food and beverage revenues at Niagara Resort. The higher revenues were partially offset by lower gaming revenues at Niagara Resort (-21%).

Operating Costs and Expenses

Operating costs and expenses increased \$223.1 million, or 65.9%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. These increases primarily reflect the opening of Mohegan INSPIRE.

Mohegan Digital

Revenues

Net revenues increased \$60.1 million, or 59.8%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. These increase in revenues were primarily driven by the continued ramp up of our online casino gaming and sports wagering operations in Connecticut, Pennsylvania, and the Province of Ontario, Canada.

Operating Costs and Expenses

Operating costs and expenses increased \$29.8 million, or 57.1%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. These increases were primarily driven an increase in iGaming taxes in line with the increase in revenues, combined with higher advertising costs associated with our online casino gaming and sports wagering operations.

Management, Development and Other

Revenues

Net revenues decreased \$38.7 million, or 35.1%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. These decreases are primarily due to the expiration of the Salishan management agreement and a decrease in management and development fees as a result of the opening of Mohegan INSPIRE.

Operating Costs and Expenses

Operating costs and expenses increased \$2.9 million, or 6.9%, for the twelve months ended September 30, 2024 compared with the same period in the prior year. This increase primarily reflects an increase in reimbursable entertainment contract expenses paid on behalf of the Niagara Resorts.

Corporate and Other

Operating Costs and Expenses

Operating costs and expenses increased \$10.5 million, or 24.9%, for the twelve months ended September 30, 2024 compared with the same period in the prior year.

Other Income (Expense)

(in thousands)	For the Fiscal Years Ended September 30,			Variance 2024 vs. 2023	
	2024	2023	2022	\$	%
Interest income	\$ 2,290	\$ 2,669	\$ 168	\$ (379)	(14.2)%
Interest expense, net	(328,728)	(230,366)	(206,314)	(98,362)	(42.7)%
Gain (loss) on modification and early extinguishment of debt	(123)	(3,452)	630	3,329	96.4 %
Gain (loss) on fair value adjustment	(76,890)	(1,490)	43,020	(75,400)	(5060.4)%
Other, net	(1,474)	699	268	(2,173)	N.M.
Income tax benefit (provision)	1,318	(9,697)	(8,810)	11,015	N.M.

(N.M.) Not Meaningful.

Interest Expense

Interest expense increased \$98.4 million, or 42.7%, for the fiscal year ended September 30, 2024 compared with the prior fiscal year. The increase in interest expense was due to higher weighted average interest rate and weighted average outstanding debt. Refer to Note 7 for additional information. Capitalized interest related to Mohegan INSPIRE totaled \$21.6 million and \$74.4 million for the fiscal years ended September 30, 2024 and 2023, respectively.

Modification and Early Extinguishment of Debt

Gain or loss on modification and early extinguishment of debt primarily represented transaction costs expensed in connection with refinancing transactions. Refer to Note 7 for additional information.

Fair Value Adjustment

Gain or loss on fair value adjustment represented changes in the estimated fair value of the warrants and put option related to Mohegan INSPIRE. Refer to Note 7 for additional information.

Income Tax

Income tax benefit or provision was primarily driven by taxable losses incurred or taxable income generated by the Niagara Resorts and Mohegan INSPIRE.

Liquidity and Capital Resources

Liquidity

As of September 30, 2024 and 2023, we held cash and cash equivalents of \$204.8 million and \$217.3 million, respectively, of which the Niagara Resorts held \$24.0 million and \$62.5 million, respectively. As a result of the cash-based nature of our business, operating cash flow levels tend to follow trends in our operating income, excluding the effects of non-cash charges such as depreciation and amortization and impairment charges. Inclusive of letters of credit, which reduce borrowing availability, we had \$187.2 million of borrowing capacity under our senior secured credit facility as of September 30, 2024. In addition, inclusive of letters of credit which reduce borrowing availability, the Niagara Resorts had \$37.0 million of borrowing capacity under the Niagara revolving facility as of September 30, 2024.

Material contractual obligations arising in the normal course of business consist primarily of long-term debt and related interest payments, finance and operating lease obligations, distributions to the Mohegan Tribe, slot machine operation fees that must be paid to the Pennsylvania Department of Revenue, and purchase and other contractual obligations.

Cash provided by operating activities decreased \$39.9 million, or 17.5%, to \$188.2 million for the fiscal year ended September 30, 2024 compared with \$228.1 million in the prior fiscal year. The decline in cash provided by operating activities was primarily driven by lower net income, after factoring in non-cash items, combined with higher working capital requirements due, in part, to the opening of Mohegan INSPIRE. Refer to "Discussion of Consolidated Operating Results" for additional information.

Cash used in investing activities decreased \$566.4 million, or 76.4%, to \$175.1 million for the fiscal year ended September 30, 2024 compared with \$741.6 million in the prior fiscal year. The decrease in cash used in investing activities was primarily driven by lower capital expenditures related to Mohegan INSPIRE as construction of the primary facilities is complete.

Financing activities resulted in a decrease in net cash flows of \$608.1 million, or 147.6%. Cash used in financing activities totaled \$196.1 million for the fiscal year ended September 30, 2024 compared with cash provided by financing activities of

\$412.0 million in the prior fiscal year. The change in net financing activity cash flows reflects net repayments of credit facilities and long term debt during the year ended September 30, 2024 as compared to net issuances of long term debt during the prior year.

Sufficiency of Resources

We believe that existing cash balances, financing arrangements and operating cash flows will provide us with sufficient resources to meet our existing debt obligations, finance and operating lease obligations, distributions to the Mohegan Tribe, capital expenditures and working capital requirements for the next twelve months, provided the Company is successful in completing certain refinancing transactions on acceptable terms; however, we can provide no assurance in this regard. Refer to Note 1 for discussion of the related risks and uncertainties and management’s plans with regard thereto.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures of contingent assets and liabilities. Actual amounts could differ from those estimates.

We believe the following accounting policies impact significant judgments and estimates utilized in the preparation of our financial statements.

Property and Equipment

Property and equipment are stated at cost. Depreciation is recognized over the estimated useful lives of the assets, other than land, on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the improvements. Estimated useful lives by asset categories are as follows:

Buildings and land improvements	40 years
Furniture and equipment	3 - 7 years

The costs of significant improvements are capitalized. Costs of normal repairs and maintenance are expensed as incurred.

Property and equipment are assessed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If it is determined that the carrying amounts may not be recoverable based on current and future levels of income and cash flows, as well as other factors, an impairment charge will be recognized at such time.

Intangible Assets

Intangible assets consist primarily of Mohegan Sun's trademark and Mohegan Pennsylvania's various gaming licenses. These intangible assets all have indefinite lives. Intangible assets with indefinite lives are assessed at least annually for impairment by comparing their fair value to their carrying value. However, these intangible assets may be assessed more frequently for impairment if events or changes in circumstances, such as declines in revenues, earnings and cash flows or material adverse changes in business climate, indicate that their carrying value may be impaired.

As of September 30, 2024, a 1% reduction in the estimated revenue growth rate would decrease the estimated fair value of Mohegan Pennsylvania’s intangible assets by approximately \$16.1 million and a 1% increase in the discount rate would decrease the estimated fair value of Mohegan Pennsylvania’s intangible assets by approximately \$48.4 million.

Intangible assets with finite lives are assessed for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. If necessary, an impairment charge is recognized when the carrying value of the asset (asset group) exceeds the estimated undiscounted cash flows expected from the use and eventual disposition of the asset (asset group). The amount of the impairment charge, if any, is calculated as the excess of the asset’s (asset group’s) carrying value over its fair value.

The evaluation of intangible assets for impairment requires the use of estimates about future cash flows. Such estimates are, by their nature, subjective. Actual results may differ materially from our estimates and could result in impairment charges in the future.

Warrants and Put Option

We account for our warrants and put option liabilities in accordance with guidance provided by Accounting Standards Codification (“ASC”) Topic 815, “Derivatives and Hedging” (“ASC 815”). Under ASC 815, the warrants and put option do not meet the criteria for equity treatment. Accordingly, these instruments are classified as long-term liabilities and are re-measured at their estimated fair values at each reporting date. The estimated fair value of the warrants and put option was determined by utilizing the income approach (discounted cash flow method) and a binomial lattice model.

Revenues from Casino Operating and Services Agreement

We operate the Niagara Resorts under the terms of a 21-year Casino Operating and Services Agreement (“COSA”) with the Ontario Lottery and Gaming Corporation (the “OLG”). Pursuant to the laws of Canada and the Province of Ontario, the OLG retains legal authority to conduct and manage lottery schemes on behalf of the Province of Ontario. We are acting as a service provider to the OLG under COSA and, therefore, recognize gaming revenues net of amounts due to the OLG. We retain all non-gaming revenues and recognize these amounts on a gross basis. COSA represents a series of distinct goods and services and, therefore, is deemed to be a single performance obligation.

The transaction price under the COSA includes both fixed and variable consideration. The fixed consideration is comprised of an annual service provider fee and additional consideration for permitted capital expenditures up to an annual cap. The fixed consideration is recognized as revenue on a straight-line basis over the term of COSA. The variable consideration consists of 70% of Gaming Revenues (as defined under COSA), in excess of a guaranteed annual minimum amount payable to the OLG (the “Threshold”). Annual Threshold amounts are contractually established and vary from year to year. If gaming revenues are less than the Threshold for any given year, we are obligated to make a payment to cover the related shortfall. The variable consideration is recognized as revenue as services are rendered under the terms of COSA.

We measure our progress in satisfying this performance obligation based on the output method, which aligns with the benefits provided to the OLG. Projected revenues are estimated based on the most likely amount within a range of possible outcomes to the extent that a significant reversal in the amount of cumulative revenues recognized is not probable of occurring. The difference between revenues recognized and cash received is recorded as an asset or a liability and classified as short-term or long-term based upon the anticipated timing of reversal. In the event an asset is recorded, such asset is assessed at least annually for impairment.

In June 2021, COSA was amended to provide for, among other things, a three-year replacement of the annual Threshold, subject to certain conditions, with a fixed revenue share percentage. Effective August 2024, the annual Thresholds were reinstated.

Item 3. Cautionary Statements Regarding Forward-Looking Information and Risk Factors.

Cautionary Statements Regarding Forward-Looking Information

Some information included within this annual report contains forward-looking statements. Such statements may include information relating to business development activities, as well as capital spending, financing sources, the effects of regulation, including gaming and tax regulation, and increased competition. These statements can sometimes be identified by our use of forward-looking words such as “may,” “will,” “anticipate,” “estimate,” “expect” or “intend” and similar expressions. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated future results and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by us or on our behalf. These risks and uncertainties include, but are not limited to, those relating to the following:

- the COVID-19 pandemic and the related social and economic disruptions;
- the financial performance of our various operations;
- the local, regional, national or global economic climate;
- increased competition, including the expansion of gaming in jurisdictions in which we own or operate gaming facilities;
- our leverage and ability to meet our debt service obligations and maintain compliance with financial debt covenants;
- the continued availability of financing;
- our dependence on existing management;
- our ability to integrate new amenities from expansions to our facilities into our current operations and manage the expanded facilities;
- changes in federal, state or international tax laws or the administration of such laws;
- changes in gaming laws or regulations, including the limitation, denial or suspension of licenses required under gaming laws and regulations;
- cyber security risks relating to our information technology and other systems or that of our partners or vendors, including misappropriation of customer information or other breaches of information security;
- changes in applicable laws pertaining to the service of alcohol, smoking or other amenities offered at our facilities;
- our ability to successfully implement our diversification strategy;
- an act of terrorism;
- our customers' access to inexpensive transportation to our facilities and changes in oil, fuel or other transportation-related expenses;
- a variety of uncontrollable events that could impact our operations, such as health concerns, adverse weather and climate conditions, catastrophic events or natural disasters or international, political or military developments, including social unrest;
- risks associated with operations in foreign jurisdictions such as Canada or South Korea;
- failure by our employees, agents, affiliates, vendors or businesses to comply with applicable laws, rules and regulations, including state gaming laws and regulations and anti-bribery laws such as the United States Foreign Corrupt Practices Act, and similar anti-bribery laws in other jurisdictions; and
- fluctuations in foreign currency exchange rates.

The forward-looking statements included within this annual report are made only as of the date of this report. We do not undertake any obligation to update or supplement any forward-looking statements to reflect subsequent events or circumstances. We cannot assure you that projected results or events will be achieved or will occur.

Risk Factors

Set forth below are cautionary statements identifying important factors that could cause actual events or results to differ materially from any forward-looking statements made by or on behalf of us, whether oral or written. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause actual events or results to differ materially from our forward-looking statements. Refer also to Cautionary Statements Regarding Forward-Looking Information.

Risks Related to Our Debt

We have a substantial amount of outstanding debt which could adversely affect our financial condition

We currently have and will continue to have a substantial amount of outstanding debt. As of September 30, 2024, our debt totaled \$3.1 billion, of which \$471.7 million matures in fiscal 2025.

This indebtedness could have significant adverse effects on our business. Such adverse effects could include, without limitation, the following:

- making it more difficult for us to satisfy our debt service obligations;
- increasing our vulnerability to adverse economic, industry and competitive conditions;
- requiring us to dedicate a substantial portion of our cash flows from operations towards debt repayment, thereby reducing the availability of our cash flows to fund working capital requirements, capital expenditures and other general operating requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the gaming industry, which may place us at a disadvantage compared to our competitors with stronger liquidity positions, thereby negatively affecting our results of operations and ability to meet our financial obligations;
- restricting us from exploring or taking advantage of new business opportunities;
- placing us at a competitive disadvantage compared to our competitors with less debt; and
- limiting, along with the financial and other restrictive covenants related to our debt, our ability to borrow additional funds for working capital requirements, capital expenditures, acquisitions, investments, debt service obligations, execution of our business strategy or other general operating requirements on satisfactory terms or at all.

In addition, our senior secured credit facility and the indentures governing our existing notes contain, and the agreements evidencing or governing other future indebtedness may contain, restrictive covenants that limit our ability to engage in activities that may be in our best interests. Our failure to comply with such covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the required repayment of some or all of our outstanding debt.

Economic volatility affects our operations and our debt

Economic downturns or contractions may adversely affect visitation and spending at our properties which would negatively impact our results of operations and cash flows. The credit environment could also impact our ability to borrow in the future. Additional financing or refinancing of our existing debt may not be available and, if available, may not be available on economically favorable terms. Furthermore, increases in our leverage could lead to deterioration in our credit ratings. A reduction in our credit ratings, regardless of the cause, could also limit our ability to obtain additional financing and/or increase our cost of obtaining such financing. We can provide no assurance that we will be able to access the capital markets at financially economical interest rates, which could negatively affect our business. While we believe that we will continue to have adequate credit available to meet our business needs, we can provide no assurance in this regard.

A substantial portion of our debt accrues interest at variable rates

We are exposed to risks from tightening credit markets and increasing interest rates through interest payable on our variable rate debt, such as our credit facilities. As of September 30, 2024, approximately 7.1% of our total debt was variable rate debt. While we may choose to mitigate the effect of fluctuations in interest rates through interest rate hedging transactions, we can provide no assurance that we will enter any such transactions or that any such transactions would adequately mitigate the risks of fluctuations in interest rates.

A substantial portion of our debt is denominated in currencies other than United States dollars

We are exposed to risks from fluctuations in foreign currency exchange rates since a substantial portion of our debt is denominated in currencies other than United States dollars, including borrowings under our credit facilities in Canada and South Korea. Fluctuations in foreign currency exchange rates would affect the United States dollar value of principal, interest and other amounts related to such debt. As of September 30, 2024, we had the equivalent of \$68.2 million and \$889.3 million in debt that were denominated in Canadian dollars and Korean won, respectively. While we may choose to mitigate the effect of fluctuations in foreign currency exchange rates through foreign currency hedging transactions, we can provide no assurance that we will enter any such transactions or that any such transactions would adequately mitigate the risks of fluctuations in foreign currency exchange rates.

We, the Mohegan Tribe and certain of our subsidiaries may not be subject to federal bankruptcy laws, which could impair the ability of creditors to participate in the realization of our assets or the restructuring of related liabilities if we are unwilling or unable to meet our debt service obligations

We, the Mohegan Tribe and our wholly-owned subsidiaries that are tribal entities may or may not be subject to, or permitted to seek protection under, federal bankruptcy laws, since an Indian tribe and we, as an instrumentality of the Mohegan Tribe, may or may not be eligible to be a debtor under the United States Bankruptcy Code. Therefore, our creditors may not be able to seek liquidation of our or any of the other tribal entities' assets or other action under federal bankruptcy laws. Also, the Mohegan Tribe's Constitution and laws have established a special court which is vested with exclusive jurisdiction, in the absence of a contractual agreement otherwise, over all disputes related to gaming and associated facilities on tribal lands, including appeals from certain final administrative agency decisions, known as the Gaming Disputes Court. The Gaming Disputes Court may lack powers typically associated with a federal bankruptcy court, such as the power to non-consensually alter liabilities, direct the priority of creditors' claims and liquidate certain assets. The Gaming Disputes Court is a court of limited jurisdiction and may not have jurisdiction over all creditors of ours or our subsidiaries or over all of the territories in which we and our subsidiaries carry on business.

Risks Related to Our Business

The COVID-19 pandemic has had a material adverse impact on our businesses, results of operations, liquidity and financial condition

Although the World Health Organization declared an end to COVID-19 as a public health emergency in May of 2023, an uptick of cases of the disease, variants of the disease or a different widespread disease could result in further closure of our properties or a reduction in patron visitation which could materially impact our financial performance.

Our operations are subject to the regulations and laws of various jurisdictions and authorities which may impose restrictions on or closure of our properties as a result of an uptick of cases of COVID-19, variants of the disease or a different widespread disease.

In addition, we cannot predict how an uptick of cases of COVID-19, variants of the disease or a different widespread disease may impact our vendors and suppliers nor can we predict the impact to domestic and international travel or consumer confidence. Accordingly, we cannot reasonably estimate the extent to which COVID-19, variants of the disease or a different widespread disease will further impact our business and financial condition, results of operations and cash flows.

Our business is subject to extensive governmental gaming regulation by multiple governmental and tribal authorities and changes to the regulatory regime governing our business, our inability to renew or obtain new contracts governing our existing gaming operations or our inability to obtain new casino licenses could adversely affect us

Our gaming operations are highly regulated. Changes in applicable laws and regulations could limit or materially affect the types of gaming that may be conducted, or services provided, by us and the revenues realized therefrom.

With respect to our operations on the Mohegan Tribe's reservation, we are subject to extensive regulations by federal, state and tribal regulatory agencies, including the National Indian Gaming Commission and agencies of the State of Connecticut, such as the Department of Consumer Protection's Gaming Division and Division of Liquor Control and the State Police. Currently, gaming on Indian tribal lands is subject to the Indian Gaming Regulatory Act of 1988 ("IGRA"). Legislation has been introduced in Congress from time to time with the intent of modifying a variety of perceived deficiencies with IGRA or the Indian Reorganization Act of 1934 under which land can be acquired for tribes for various purposes, including gaming. Certain proposals that have been considered would be prospective in effect and contain clauses that would grandfather existing Indian tribal gaming operations such as Mohegan Sun. However, legislation has also been proposed from time to time which would have the effect of repealing many of the key provisions of IGRA and prohibiting the continued operation of particular classes of gaming on Indian tribal reservations in states where such gaming is not otherwise allowed on a commercial basis. While none of the substantive proposed amendments to IGRA have been enacted, we cannot predict the effects of future legislative acts. In the event that Congress passes prohibitory legislation that does not include any grandfathering exemption for existing Indian tribal gaming operations, and if such legislation is sustained in the courts against tribal challenge, our ability to meet our financial obligations would be materially and adversely affected.

In addition, under federal law, gaming on Indian tribal lands is dependent on the permissibility under state law of specific forms of gaming or similar activities and gaming at Mohegan Sun is dependent on the tribal-state compact between the Mohegan Tribe and the State of Connecticut, as amended. iGaming by Mohegan Digital outside of tribal lands in the state of Connecticut is dependent on recent state gaming legislation and other regulations in the state. Adverse decisions, changes or legal actions with respect to gaming legislation, regulations or the Mohegan Compact may have an adverse effect on our ability to conduct our gaming operations.

Our operations at Mohegan Pennsylvania are subject to extensive state regulation by the Pennsylvania Gaming Control Board, the Pennsylvania State Horse Racing Commission and other state regulatory agencies, such as the Pennsylvania Liquor Control Board. Applicable rules and regulations may require that we obtain and periodically renew a variety of licenses, registrations, permits and approvals to conduct our operations. Regulatory agencies may, for any reason set forth in the applicable legislation, rules and regulations, limit, condition, suspend, deny or revoke our license to conduct our operations in Pennsylvania as intended. The sale of alcoholic beverages at our property is subject to licensing, control and regulation by state and local agencies in Pennsylvania, including the Pennsylvania Liquor Control Board. The liquor agencies have broad powers to limit, condition, suspend or revoke any liquor license. We can provide no assurance that we will be able to continually renew all registrations, permits, approvals or licenses necessary to conduct our operations in Pennsylvania as intended. Any of these events, including any disciplinary action with respect to our liquor license or any changes in applicable laws or regulations or the enforcement thereof could, and any failure to renew or revocation of our liquor license would, have a material adverse effect on our business, financial condition and results of operations.

Changes in applicable laws or regulations, including statutory changes, tax rates and the implementation or enforcement of applicable laws and regulations could limit or materially affect the types of gaming we may conduct, the services we may provide or the profitability of our operations at Mohegan Pennsylvania. Our ability to continue to operate and our ability to meet our financial obligations could be adversely affected by such legal or regulatory changes and their implementation.

Our operations at the Niagara Resorts are highly regulated by both federal and provincial authorities. The Criminal Code of Canada mandates that dice games and games operated on or through a computer, video device or slot machine may only be conducted through and managed by provincial governments. The Ontario Lottery Gaming Corporation and iGaming Ontario are empowered to conduct and manage land-based and digital gaming, respectively, in the Province of Ontario and have the power and authority to oversee and/or regulate the gaming industry directly or through the Alcohol and Gaming Commission of Ontario. As a licensed service provider, we must provide gaming-related services in accordance with applicable provincial laws and regulations of these agencies.

Mohegan INSPIRE was granted a casino operating license from the Korean Ministry of Culture, Sports and Tourism (“MCST”) on January 23, 2024. The maintenance of a casino operating license from the MCST is subject to a number of continuing conditions and compliance with Korean laws and regulations. If the MCST does not believe that we continue to meet all of the requirements, the status of our casino operating license may be jeopardized. In addition, gaming at the property is limited by Korean law to those holding non-Korean passports, making our gaming revenues reliant on attracting non-Korean patrons to the property.

In other jurisdictions where we operate, own or manage gaming facilities, or have facilities under development, we are similarly subject to applicable laws and regulations whose implementation or enforcement could limit or materially affect the types of gaming we may conduct, the services we may provide or the profitability of our operations.

If we are not able to compete successfully with existing and future competitors, we may not be able to generate sufficient cash flows from our operations to fulfill our financial obligations

The gaming industry is highly competitive for both customers and employees, including management level employees. We compete directly with numerous gaming operations and hotels in the immediate and surrounding market areas where our properties are located. We also compete with non-gaming resorts and vacation destinations, as well as other forms of entertainment, including iGaming operations. The gaming industry is characterized by competitors that vary considerably in their size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, level of amenities, management talent and geographic diversity. In the future, our business may be adversely impacted by new forms of legalized gaming, as well as additional gaming and hotel room capacity in the market areas where we operate or intend to operate.

With the general lack of new gaming markets, competition in existing markets has intensified in recent years. We and our competitors have invested in expanding existing facilities, developing new facilities and acquiring established facilities in existing markets. Competition may continue to intensify if our competitors commit additional resources to aggressive pricing and promotional activities in order to attract customers.

We also compete to some extent with other forms of gaming both locally and nationally, including state-sponsored lotteries, charitable gaming, video gaming terminals at bars, restaurants, taverns and truck stops, on-track and off-track wagering and other forms of entertainment, including motion pictures, sporting events and other recreational activities. It is possible that these secondary competitors could adversely impact visitation or amounts wagered at our facilities, which could have a material adverse effect on our ability to generate revenues or maintain our profitability and cash flows.

If our competitors operate more successfully than we do, if they attract customers away from us, if they are more successful than us in attracting and retaining employees, if their properties are enhanced or expanded, if they operate in jurisdictions that provide them with operating advantages due to differences or changes in gaming regulations or taxes, or if additional gaming

operations and hotels are established or expanded in size or scope in and around market areas in which we conduct business, we may lose market share or the ability to attract and retain employees. In particular, the expansion of gaming in or near any geographical area from which we attract or expect to attract a significant number of our customers could have a significant adverse effect on our business, financial condition and results of operations.

In addition, increased competition may require us to make substantial capital expenditures to maintain and enhance the competitive position of our properties, including updating slot machines to reflect changing technology, refurbishing public service areas, replacing obsolete equipment on an ongoing basis and making other expenditures to enhance the attractiveness and appeal of our facilities. Since we are highly leveraged, after satisfying obligations under our outstanding debt, there can be no assurance that we will have sufficient funds or that we will be able to obtain sufficient financing to fund such expenditures. If we are unable to make such expenditures, our competitive position could be materially adversely affected.

Inability to recruit and retain talent could adversely affect our business operations, strategy and financial condition

Our ability to recruit and retain key personnel and executive leadership is integral to our performance. Any unexpected departure of such key personnel could present risks to our business. Failure to recruit and retain qualified candidates in key positions may adversely affect our business operations, strategy and financial condition.

The gaming markets in the Northeastern United States and Niagara Falls, Canada, have experienced seasonal fluctuations in the past and, as such, we may also experience seasonal variations in our revenues and operating results that could adversely affect our cash flows

The gaming markets in the Northeastern United States and Niagara Falls, Canada, are seasonal in nature, with peak gaming activities at Mohegan Sun, Mohegan Pennsylvania and the Niagara Resorts often occurring during the months of May through August. As a result of these seasonal fluctuations, we will likely continue to experience seasonal variations in our revenues and operating results that could result in lower cash flows during periods in which gaming activities are not at peak levels. These variations in revenues and operating results could adversely affect our financial condition.

Negative conditions affecting the lodging industry may have an adverse effect on our revenues and cash flows

We depend on revenues generated from our hotels and other portions of our properties to meet our financial obligations and fund our operations. Revenues generated from our hotels are primarily subject to conditions affecting our gaming operations, but are also subject to the lodging industry in general and, as a result, our financial performance and cash flows may be affected not only by the conditions in the gaming industry, but also by those in the lodging industry. Some of these conditions are as follows:

- changes in the local, regional or national economic climate, including economic recessions;
- changes in local conditions such as an oversupply of hotel properties;
- decreases in the level of demand for hotel rooms and related services;
- the attractiveness of our hotels to customers and competition from comparable hotels;
- cyclical over-building in the hotel industry;
- changes in travel patterns;
- public health, environmental or climate concerns affecting public accommodations or travel;
- changes in room rates and increases in operating costs due to inflation and other factors;
- the inability to fully staff our properties due to difficulties in hiring sufficient employees at all positions;
- increases in fuel or travel costs resulting in reduced visitation to our properties; and
- the periodic need to repair and renovate our hotels.

There are significant risks associated with our construction projects, which could have a material adverse effect on our financial condition, results of operations and cash flows

Our construction projects, including renovations to existing facilities, entail significant risks. The construction of Mohegan INSPIRE, while substantially complete, was adversely affected by inflationary pressures, COVID-19 related construction delays and product sourcing restrictions and uncertainties. We have been attempting to mitigate the effects of these matters, however, we can provide no assurance that we will be successful in this regard.

Construction activity requires us to obtain qualified contractors and subcontractors, the availability of which may be uncertain. Construction projects are subject to cost overruns and delays caused by events outside of our control or, in certain cases, our contractors' control, such as shortages of materials or skilled labor, unforeseen engineering, environmental and/or geological

problems, work stoppages, weather interference, unanticipated cost increases and unavailability of construction materials or equipment, fire, flood and other natural disasters. Construction, equipment or staffing problems or difficulties in obtaining any of the requisite materials, licenses, permits, allocations and authorizations from governmental or regulatory authorities could increase the total cost, delay, jeopardize, prevent the construction or opening of our projects or otherwise affect the design and features.

Construction contractors or counterparties for our projects may be required to bear certain cost overruns for which they are contractually liable and, if such counterparties are unable to meet their obligations, or if the liability of such persons for such overruns is limited or not covered by their contracts, we may incur increased costs for such projects. In addition, the location of Mohegan INSPIRE and other projects which we may pursue throughout the world present unique challenges and risks to manage and execute. If our management is unable to successfully manage such international construction projects, it could have a material adverse effect on our financial condition, results of operations and cash flows.

The anticipated costs and completion dates for our current construction projects are based on budgets, designs, development and construction documents and schedule estimates that are prepared with the assistance of architects and other construction consultants and are subject to change as the design, development and construction documents are finalized and as actual construction work is performed. A failure to complete our projects on budget or on schedule may have a material adverse effect on our financial condition, results of operations and cash flows.

Furthermore, while construction activities may be planned to minimize disruptions, construction noise, debris and temporary closures may disrupt our current operations. Unexpected construction delays could exacerbate or magnify these disruptions. We can provide no assurance that our construction projects will not have a material adverse effect on our results of operations.

We may suspend or elect not to proceed with construction projects once they have been undertaken, resulting in charges that could adversely affect our financial condition. We may also make additional capital expenditures and/or increase the allocation of our capital resources to construction projects.

We may suspend, elect not to proceed with or fail to complete construction projects once they have been undertaken. In such cases, we may be required to carry assets on our balance sheet related to suspended projects or incur significant costs relating to design and construction work performed and materials purchased that may no longer be useful. In addition, our agreements or arrangements with third parties relating to the suspension or termination of such construction projects could cause us to incur additional fees and costs. The suspension, election not to proceed with or failure to complete any of our construction projects may result in adverse effects to our financial condition.

We may also elect to incur additional capital expenditures to cover increased costs or to expand the scope of construction projects following initial planning. In such cases, we may be required to seek additional capital resources or commit more of our existing capital resources, which could have an adverse effect on our liquidity. In connection with the Korea Term Loan entered into November 2021, if needed, we have committed to making additional investments of up to 50 billion Korean won (approximately \$38 million as of September 30, 2024) if such contribution is necessary for Mohegan INSPIRE to maintain a specified minimum cash balance. In addition, we have committed to making additional investments of up to 30 billion Korean won (approximately \$22.9 million as of September 30, 2024) to fund pre-opening costs and expenses, pay for certain increased costs, and provide for additional project contingency. Additionally, we have issued a standby letter of credit in the amount of 24 billion Korean won (approximately \$18.3 million as of September 30, 2024) to secure Mohegan INSPIRE's obligations to the Incheon International airport Corporation with respect to expanded development outside of the current Mohegan INSPIRE's footprint.

The risks associated with operating expanded facilities and managing growth could have a material adverse effect on our future performance

We may expand our facilities from time to time. We can provide no assurance that we will be successful in integrating the new amenities from such expansions into our current operations or in managing our expanded facilities. Failure to successfully integrate and manage new services and amenities could have a material adverse effect on our results of operations and our ability to meet our financial obligations.

A person's or entity's ability to enforce its rights against us is limited by our sovereign immunity and that of our wholly-owned subsidiaries that are tribal entities

While we, the Mohegan Tribe and certain of our wholly-owned subsidiaries that are tribal entities each have sovereign immunity and generally may not be sued without our and their respective consents, a limited waiver of sovereign immunity and consent to suit has been granted by our restricted subsidiaries in connection with substantially all of our outstanding debt. Each such waiver permits lawsuits against us to enforce our obligation to repay certain outstanding debt. Generally, duly authorized express waivers of sovereign immunity have been held to be enforceable against Indian tribes. In the event that any waiver of sovereign immunity is held to be ineffective, a claimant could be precluded from judicially enforcing its rights and remedies.

With limited exceptions, our restricted subsidiaries have not waived sovereign immunity for claims under federal or state securities laws and therefore a claimant may not have any remedy based on such claims.

Where an entity that enjoys tribal sovereign immunity has waived its immunity and consented to suit in federal and/or state court, disputes may be brought in a federal or state court that has jurisdiction over the matter. However, federal courts may not exercise jurisdiction over disputes not arising under federal law or between litigants that are not citizens of different states, and some courts have ruled that an Indian tribe is not a citizen of any state. The extent to which state courts will assume jurisdiction over disputes involving Indian tribes varies from state-to-state. In addition, the Mohegan Tribe's Constitution has established a special court, the Gaming Disputes Court, to rule on disputes with respect to Mohegan Sun. The federal and state courts, under the doctrines of comity and exhaustion of tribal remedies, may: (i) defer to the jurisdiction of the Gaming Disputes Court or (ii) require that any plaintiff exhaust its remedies in the Gaming Disputes Court before bringing any action in federal or state court. Thus, there may be no available federal or state court forum for adjudication of a dispute with an entity that enjoys tribal sovereign immunity.

The limited waiver of sovereign immunity that has been granted in connection with our outstanding debt additionally provides that in the event that none of the specified federal or state courts accept or exercise jurisdiction over a dispute, claims may be brought in arbitration proceedings with enforcement of arbitration awards in courts of competent jurisdiction. Such a dispute would not be decided by a judge, but by an arbitrator appointed in accordance with the commercial arbitration rules of the American Arbitration Association. The scope of a party's ability to conduct discovery with respect to such a dispute and the time in which the party is permitted to do so are more limited than in a judicial proceeding. If any party does not prevail in a dispute before an arbitrator, that party's ability to appeal the arbitrator's decision will be limited. Federal and state courts typically are required to enforce a proper arbitration award without a re-examination of the merits of the decision. Enforcement of arbitration awards in the Gaming Disputes Court may not be subject to the same limitations on such re-examination.

If an event of default occurs in connection with our debt, no assurance can be given that a forum will be available to creditors other than arbitration with enforcement of arbitration awards in the Gaming Disputes Court. In such court, there are presently limited precedents for the interpretation of tribal law with respect to insolvency. Any execution of a judgment of the Gaming Disputes Court or any other court on tribal lands will require the cooperation of the Mohegan Tribe's officials in the exercise of their police powers. Thus, to the extent that a judgment of the Gaming Disputes Court must be executed on tribal lands, the practical realization of any benefit of such a judgment will be dependent upon the willingness and ability of tribal officials to carry out such judgment. In addition, the land on which Mohegan Sun is located is owned by the United States in trust for the Mohegan Tribe and our creditors and the creditors of the Mohegan Tribe may not foreclose upon or obtain title to the land. Additionally, while we do not presently hold any material fee interest in real property, if we do in the future, federal law may not allow for real property interest to be mortgaged or, if mortgaged, transferred as a result of foreclosure.

Any rights as a creditor are limited to our assets and those of our guarantor subsidiaries

Any rights as a creditor in a bankruptcy, if applicable, liquidation, reorganization or similar proceeding would be limited to our assets and the assets of our guarantor subsidiaries and would not encompass the assets of any other subsidiary that is not a guarantor or the Mohegan Tribe or its other affiliates.

Our failure to generate sufficient cash flows and current and future economic and credit market conditions could adversely affect our ability to fulfill our debt service obligations or refinance our outstanding debt

Our ability to generate cash flows is subject to financial, economic, political, competitive, regulatory and other factors beyond our control. If we are unable to generate sufficient cash flows from operations or borrow additional funds, we may be unable to fulfill our debt service obligations. In addition, we can provide no assurance that we will be able to obtain additional debt for refinancing or to fund our growth, or that financing options available, if any, will be on favorable or acceptable terms.

Our upcoming debt maturities and anticipated default under our Korea Term Loan have raised substantial doubt about the Company's ability to continue as a going concern.

As described in Note 1 of this annual report, substantial doubt about an entity's ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the entity's financial statements are available to be issued. We describe in Note 1 the conditions and events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the accompanying consolidated financial statements are available to be issued, including our upcoming debt maturities and the anticipated default on our Korea Term Loan due to not meeting certain financial covenant tests.

Management plans to refinance in order to satisfy the upcoming debt maturities and to seek additional sources of liquidity in order to repay the Korea Term Loan and/or obtain waivers or amendments under such. These plans have not been finalized, are subject to market conditions, and are not within the Company's control and, therefore, cannot be deemed probable. As a result,

the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

The accompanying consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. Accordingly, the accompanying consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Restrictions contained in our senior secured credit facility and the indentures to which we are a party may impose limits on our ability to pursue our business interests

Our senior secured credit facility and the indentures to which we are a party contain customary operating and financial restrictions that limit our discretion on various business matters. These restrictions include, among other things, covenants limiting our ability to:

- incur additional debt;
- pay dividends or make other distributions;
- make certain investments;
- use assets as security in other transactions;
- sell certain assets or merge with or into another person;
- grant liens;
- make capital expenditures; and
- enter into transactions with affiliates.

These restrictions may, among other things, reduce our flexibility in planning for, or reacting to, changes in our business and the gaming industry in general and thereby may negatively impact our financial condition, results of operations and ability to meet our financial obligations.

Our senior secured credit facility requires us to maintain a fixed charge coverage ratio and not to exceed certain ratios of total leverage and secured leverage. If these ratios are not maintained or are exceeded, as applicable, it may not be possible for us to borrow additional funds to meet our financial obligations. Additionally, our failure to comply with covenants in our senior secured credit facility, including the fixed charge coverage and leverage ratios, could result in an event of default under the senior secured credit facility, which, if not cured or waived, could have a material adverse effect on us and could result in the acceleration of required repayments of some or all of then-outstanding debt thereunder and an inability to make debt service payments. However, we can provide no assurance that we would be able to obtain such waivers.

In addition, our indentures place certain limitations on our ability to incur debt. Under our indentures, we are generally able to incur debt that otherwise may be restricted, provided that we meet a minimum fixed charge coverage ratio, as defined. If we were to fall below the minimum fixed charge coverage ratio, our ability to incur additional debt could be limited and subject to other applicable exceptions contained in the indentures and the options available to us to refinance our existing debt could be restricted.

Additionally, our failure to comply with covenants in our debt instruments could result in an event of default, which, if not cured or waived, could have a material adverse effect on us and could result in the acceleration of required repayments of some or all of then-outstanding debt and an inability to make debt service payments.

A change in our current tax-exempt status, or that of certain of our subsidiaries, could reduce our cash flows and have a material adverse effect on our operations and our ability to meet our financial obligations

Based on current interpretation of the Internal Revenue Code of 1986, as amended, we, the Mohegan Tribe and certain of our subsidiaries are not subject to United States federal income taxes. However, we can provide no assurance that Congress or the Internal Revenue Service will not reverse or modify the exemption for Indian tribes from United States federal income taxation. A change in the tax law could have a material adverse effect on our financial performance.

Weakness or downturn in the United States, Canadian or South Korean economies and fluctuations in exchange rates could negatively impact our financial performance

During periods of economic contraction, our revenues may decline while some of our costs remain fixed, resulting in lower earnings since gaming and other leisure activities that we offer are discretionary in nature and participation in such activities may decline during economic downturns since consumers have less disposable income. Even an uncertain economic outlook

may adversely affect spending at our properties since consumers may spend less in anticipation of a potential economic downturn.

Economic recessions negatively impact consumer confidence and the amount of consumer spending. Economic conditions such as a prolonged regional, national or global economic downturn or slow growth, including periods of increased inflation, rising unemployment, tax rates, interest rates, energy and gasoline prices or declining consumer confidence could also reduce consumer spending. Reduced consumer spending has resulted and may continue to result in an adverse impact on our business, financial condition and operating results. Furthermore, uncertainty and adverse changes in the economy could also increase the cost and reduce the availability of sources of financing, which could have a material adverse impact on our financial condition and operating results. If adverse economic conditions continue or worsen, our business, assets, financial condition and results of operations could continue to be affected adversely.

In addition, our operations in Canada and South Korea are conducted in the respective local currency. Accordingly, fluctuations in exchange rates may adversely affect our financial results.

Our diversification efforts may not be successful

We receive and evaluate various opportunities to diversify our business interests. These opportunities primarily include the development and/or management of, investment in or ownership of other gaming and entertainment enterprises through direct investments, acquisitions, joint venture arrangements and loan transactions. In addition to the opportunities we are currently pursuing, we are evaluating other opportunities in various jurisdictions. Many of these opportunities are highly competitive. We are currently pursuing an opportunity to develop and manage a casino resort project in New York City. Based on public reports, there are a number of other bidders for a limited number of licenses for casino gaming in the downstate region of New York. This pursuit, as well as efforts on other projects, may require various levels of regulatory or legislative approval and may require the commitment of financial and capital resources. We can provide no assurance that we will be successful in our pursuit in New York or in other jurisdictions. Failure to receive such approvals or to obtain or generate sufficient funds to meet such financial or capital requirements may result in the termination of the respective project. In addition, our diversification initiatives may not generate the expected (or any) returns on our investments. Furthermore, there can be no assurance that we will continue to pursue any of the diversification initiatives we are pursuing or evaluating or that any of them will be consummated.

The non-impairment provision of the Mohegan Tribe's Constitution is subject to change

Unlike states, the Mohegan Tribe is not subject to the United States Constitution's provision restricting governmental impairment of contracts. The Mohegan Tribe's Constitution currently has a provision that prohibits the Mohegan Tribe from enacting any law that would impair the obligations of contracts entered into in furtherance of the development, construction, operation and promotion of gaming on tribal lands. However, this provision could be amended by a vote of 75% of the Mohegan Tribe's registered voters to rescind the restriction on impairment of the obligations of such contracts.

We and our guarantor subsidiaries are controlled by a tribal government and may not necessarily be operated in the same way as if we and they were privately owned for-profit businesses

We and our guarantor subsidiaries are subject to control by the Mohegan Tribe. Our Management Board is comprised of the same nine members as the Mohegan Tribal Council, the governing body of the Mohegan Tribe with legislative and executive authority. As a sovereign government, the Mohegan Tribe is governed by officials elected by tribal members who have a responsibility for the general welfare of all members of the Mohegan Tribe. In making decisions relative to us and our guarantors, these officials may consider the interests of their electorate, instead of pure economic or other business factors.

Control deficiencies could prevent us from accurately and timely reporting our financial results

We may identify deficiencies in our internal control over financial reporting in the future, including significant deficiencies and material weaknesses. A "significant deficiency" is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of a company's financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. Our failure to identify deficiencies in our internal control over financial reporting in a timely manner or remediate any deficiencies, or identify material weaknesses or significant deficiencies in the future, could prevent us from accurately and timely reporting our financial results.

We may be subject to material environmental liability resulting from possible incomplete remediation of known environmental hazards or the existence of unknown environmental hazards

Our properties and operations are subject to a wide range of federal, state, local and tribal environmental laws and regulations governing, among other things, air emissions, wastewater discharges, the use, management and disposal of, or exposure to, hazardous and non-hazardous materials and wastes and the clean-up of contamination. Noncompliance with such laws and regulations, as well as past or future activities resulting in environmental releases, could affect our operations or could cause us to incur substantial costs, including clean-up costs, fines and penalties or investments to retrofit or upgrade our properties.

In addition, should unknown contamination be discovered on our properties or should a release of hazardous material occur on our properties, we could be required to investigate and clean up such contamination and could also be held responsible to a governmental entity or third parties for personal injury, property damage or investigation and cleanup costs, which may be substantial. Moreover, such contamination may also impair the use or value of the affected property. Liability for contamination can be joint and several in nature and in many instances can be imposed on the owner or operator of property regardless of whether such owner or operator is responsible for creating the contamination or is otherwise at fault.

At both Mohegan Sun and Mohegan Pennsylvania, investigations and remedial actions have been successfully undertaken to address significant site contamination resulting from historical operations. The site on which Mohegan Sun is located was formerly occupied by United Nuclear Corporation, a naval products manufacturer of, among other things, nuclear reactor fuel components. Prior to the decommissioning of the United Nuclear Corporation facilities on the site, extensive investigations were completed and contaminated soils were remediated to applicable standards. Prior to us taking possession of the site, it was determined to be safe for general public use. In addition, prior to acquiring Mohegan Pennsylvania, we conducted an extensive environmental investigation. During the course of the investigation, we identified several environmental conditions that required corrective actions to bring the property into compliance with applicable laws and regulations. These remedial actions, including an ongoing monitoring program for the portion of the property that was formerly used as a solid waste landfill, were addressed as part of a comprehensive plan that was fully implemented by July 2008.

Notwithstanding the foregoing, we can provide no assurance that:

- any environmental reports or studies prepared with respect to these sites or, any other properties owned or operated by us, revealed all environmental liabilities;
- prior owners or tenants did not create any material environmental condition not presently known to us that may be discovered in the future;
- future laws, ordinances or regulations will not impose any material environmental liability with regard to existing conditions or operations; or
- a material environmental condition does not otherwise exist on any site.

Any of the above could have a material adverse effect on our operating results and ability to meet our financial obligations.

Our business could be affected by a variety of uncontrollable events that could impact our operations

Our operations could be adversely affected by a variety of factors beyond our control, including health concerns (as has been the case with COVID-19 and could occur in the event of future health outbreaks and pandemics), adverse weather conditions arising from short-term weather patterns or long-term climate change, catastrophic events or natural disasters (such as excessive heat or rain, hurricanes, typhoons, floods, droughts, tsunamis and earthquakes), international, political or military developments (including social unrest) and terrorist attacks. These events and others may also inhibit our ability to provide our amenities and services or to obtain insurance coverage with respect to certain of these events. In addition, the costs of protecting against such incidents could reduce the profitability of our operations.

Our table games business is subject to volatility

Table gaming, especially high-end table gaming, is more volatile than other forms of gaming and variances in table games hold percentage may have a positive or negative impact on our quarterly revenues and operating results. Negative variations in quarterly revenues and operating results could adversely affect our financial condition.

Energy and fuel price increases may adversely affect our business and results of operations

Our properties use significant amounts of electricity, natural gas and other forms of energy. Increases in the cost of any of our sources of energy may negatively affect our results of operations. In addition, energy and fuel price increases could negatively impact our business and results of operations by making it difficult for potential customers to travel to our properties or by causing customers who do visit our properties to reduce their spending due to a reduction in disposable income.

Our information technology and other systems are subject to cyber security risks, including misappropriation of customer information or other breaches of information security

We rely upon sophisticated information technology networks, systems and infrastructure, some of which are managed by third parties, to process, transmit and store electronic information and to manage or support a variety of business processes and activities. Additionally, we collect and store sensitive data, including proprietary business information. Despite security measures, our information technology networks, systems and infrastructure may be vulnerable to damage, disruptions or shutdowns due to attack by hackers or breaches, employee error or malfeasance, power outages, computer viruses, telecommunication or utility failures, systems failures, natural disasters or other catastrophic events. Likewise, data privacy or security breaches by employees and others with permitted access to our systems, including in some cases third parties to which we may outsource certain business functions, may pose a risk that sensitive data, including intellectual property or personal information, may be exposed to unauthorized persons or to the public. Security breaches and other disruptions to our information technology infrastructure could interfere with our operations, compromise information belonging to us and our customers and suppliers and expose us to liability which could adversely impact our business and/or result in the loss of critical or sensitive information, which could result in financial, legal, business or reputational harm.

Impairment of our intangible assets could adversely affect our financial condition

In accordance with authoritative guidance issued by the Financial Accounting Standards Board pertaining to intangible assets, we assess our intangible assets at least annually for impairment by comparing their fair value to their carrying value. Fair value is estimated utilizing a discounted cash flow method. As of September 30, 2024, we assessed our intangible assets for impairment and determined that no impairment existed. The evaluation of intangible assets for impairment requires the use of estimates about future cash flows to determine the estimated fair value of the reporting unit. Such estimates are, by their nature, subjective. Actual results may differ materially from our estimates and could result in impairment charges in the future. In the event that the carrying value of our intangible assets exceeds their fair value in a future period, the intangible assets would be impaired and subject to a non-cash write-down, which could have a material adverse impact on our financial condition.

We are subject to risks associated with doing business outside of the United States

With the Niagara Resorts, Mohegan INSPIRE and other potential projects, we have operations outside of the United States that are subject to risks that are inherent in conducting business under non-United States laws, regulations and customs. In particular, the risks associated with the Niagara Resorts, Mohegan INSPIRE or other operations that we may engage in other foreign jurisdictions, include:

- changes in laws and policies that govern operations of companies in Canada, South Korea or other foreign jurisdictions;
- changes in non-United States government programs;
- possible failure by our employees or agents to comply with anti-bribery laws such as the United States Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions;
- general economic conditions and policies in such jurisdictions, including restrictions on travel, currency movements and domestic gaming;
- difficulty in establishing, staffing and managing non-United States operations;
- different labor regulations;
- different trademark and copyright laws which could impact our ability to secure protection for our intellectual property or to enforce such protection;
- different privacy laws which could affect our ability to use data or share information between our entities;
- changes in environmental, health and safety laws;
- outbreaks of diseases or epidemics;
- potentially negative consequences from changes in or interpretations of tax laws or treaties;
- political instability and actual or anticipated military and political conflicts;
- economic instability and inflation, recession or interest rate or exchange rate fluctuations; and
- uncertainties regarding judicial systems and procedures.

Any of the above risks could have an adverse effect on our results of operations and financial condition. We are also exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates. If the United States dollar

strengthens in relation to the currencies of other countries, our United States dollar reported income from sources where revenues are denominated in the currencies of other such countries will decrease.

Any violation of the United States Foreign Corrupt Practices Act or any other similar anti-corruption laws could have a negative impact on us

A portion of our revenues are derived from operations outside of the United States, which exposes us to complex United States and foreign regulations inherent in doing cross-border business and in each of the countries in which we transact business. We are subject to compliance with the United States Foreign Corrupt Practices Act and other similar anti-corruption laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. While our employees and agents are required to comply with these laws, we can provide no assurance that our internal policies and procedures will always protect us from violations of these laws, despite our commitment to legal compliance and corporate ethics. Violations of these laws by us or any of our ventures may result in severe criminal and civil sanctions and other penalties against us, as the Securities and Exchange Commission and United States Department of Justice continue to vigorously pursue enforcement of the United States Foreign Corrupt Practices Act. The occurrence or allegation of any such violation may adversely affect our business, performance, prospects, value, financial condition and results of operations.