

# ***Mohegan Tribal Gaming Authority***

Financial Statements and  
Management's Discussion and Analysis

For the Interim Period ended December 31, 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT**

Item 1.	<u>Financial Statements</u>	
	<u>Condensed Consolidated Balance Sheets</u> <u>as of December 31, 2024 and September 30, 2024 (unaudited)</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)</u> <u>for the Three Months Ended December 31, 2024 and 2023 (unaudited)</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Changes in Capital</u> <u>for the Three Months Ended December 31, 2024 and 2023 (unaudited)</u>	<u>7</u>
	<u>Condensed Consolidated Statements of Cash Flows</u> <u>for the Three Months Ended December 31, 2024 and 2023 (unaudited)</u>	<u>8</u>
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>10</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>18</u>



Deloitte & Touche LLP  
185 Asylum Street  
Hartford, CT 06103-3402  
USA

Tel: 1 860 725 3000  
Fax: 1 860 725 3500  
www.deloitte.com

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Management Board of Mohegan Tribal Gaming Authority:

### **Results of Review of Interim Financial Information**

We have reviewed the accompanying condensed consolidated balance sheets of Mohegan Tribal Gaming Authority and subsidiaries (the "Company") as of December 31, 2024, and the related condensed consolidated statements of operations and comprehensive income (loss), changes in capital, and cash flows for the three-month periods ended December 31, 2024 and 2023, and the related notes (collectively referred to as the "interim financial information").

### **Conclusion on Accounting Principles Generally Accepted in the United States of America as Promulgated by the Financial Accounting Standards Board**

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

### **Conclusion on Accounting Principles Generally Accepted in the United States of America for Governmental Entities**

Based on our review, material modifications should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America for governmental entities.

### **Basis for Review Results**

We conducted our review in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. 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 review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

As described in Note 1 to the interim financial information, the Company is a governmental entity as defined by the Governmental 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 interim financial information in accordance with accounting standards as promulgated by the FASB even though the entity meets the “governmental” criteria. The effects on the interim financial information of the variances between the accounting policies described in Note 1 to the interim financial information 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 interim financial information has been prepared assuming that the Company will continue as a going concern. Note 1 of the Company’s audited consolidated financial statements as of September 30, 2024, and for the year then ended, includes a statement that substantial doubt exists about the Company’s ability to continue as a going concern. Note 1 of the Company’s audited consolidated financial statements also discloses the events and conditions, management’s evaluation of the events and conditions, and management’s plans regarding these matters, including the fact that the Company has maturing debts and a debt covenant violation. Our auditor’s report on those financial statements includes a separate section referring to the matters in Note 1 of those financial statements. As indicated in Note 1 of the accompanying interim financial information as of December 31, 2024, and for the three-month period then ended, the Company still has maturing debts and debt covenant violations and has stated that substantial doubt exists about the Company’s ability to continue as a going concern. The accompanying interim financial information does not include any adjustments that might result from the outcome of this uncertainty.

### **Responsibilities of Management for the Interim Financial Information**

Management is responsible for the preparation and fair presentation of the interim financial information 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 interim financial information that is free from material misstatement, whether due to fraud or error.

### **Report on Condensed Consolidated Balance Sheet as of September 30, 2024**

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of September 30, 2024, and the related consolidated statements of income (loss) and comprehensive income (loss), changes in capital, and cash flows for the year then ended (not presented herein); and we expressed an unmodified opinion, which included a section relating to the Company’s ability to continue as a going concern, on those audited consolidated financial statements in our report dated December 31, 2024. In our opinion, the accompanying condensed consolidated balance sheet of the Company as of September 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Deloitte & Touche LLP*

February 14, 2025

**Item 1. Financial Statements**

**MOHEGAN TRIBAL GAMING AUTHORITY  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands)  
(unaudited)**

	December 31, 2024	September 30, 2024
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 192,694	\$ 204,849
Restricted cash and cash equivalents	38,149	55,794
Accounts receivable, net	83,678	84,466
Inventories	22,580	22,122
Due from Ontario Lottery and Gaming Corporation	9,022	12,213
Contract asset	2,705	5,057
Assets held for sale	4,055	3,652
Other current assets	51,155	51,289
Total current assets	404,038	439,442
Restricted cash and cash equivalents	17	17
Property and equipment, net	2,192,410	2,334,527
Right-of-use assets	279,612	297,379
Intangible assets, net	309,073	310,343
Contract asset, net of current portion	226	1,187
Other assets, net	62,676	63,274
Total assets	\$ 3,248,052	\$ 3,446,169
<b>LIABILITIES AND CAPITAL</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 1,174,651	\$ 381,689
Current portion of finance lease obligations	8,086	8,069
Current portion of operating lease obligations	7,147	7,539
Trade payables	38,099	40,082
Accrued payroll	58,597	71,275
Construction payables	41,620	47,990
Accrued interest payable	51,953	45,560
Due to Ontario Lottery and Gaming Corporation	4,152	6,312
Liabilities held for sale	8,055	7,652
Other current liabilities	232,590	261,535
Total current liabilities	1,624,950	877,703
Long-term debt, net of current portion	1,789,819	2,576,527
Finance lease obligations, net of current portion	28,161	31,305
Operating lease obligations, net of current portion	335,366	356,302
Warrants and put option liabilities	108,100	125,680
Other long-term liabilities	29,272	20,629
Total liabilities	3,915,668	3,988,146
<b>Commitments and Contingencies</b>		
<b>Capital:</b>		
Retained deficit	(588,370)	(488,432)
Accumulated other comprehensive loss	(84,714)	(56,842)
Total capital attributable to Mohegan Tribal Gaming Authority	(673,084)	(545,274)
Non-controlling interests	5,468	3,297
Total capital	(667,616)	(541,977)
Total liabilities and capital	\$ 3,248,052	\$ 3,446,169

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

**MOHEGAN TRIBAL GAMING AUTHORITY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(in thousands)**  
**(unaudited)**

	Three Months Ended	
	December 31, 2024	December 31, 2023
<b>Revenues:</b>		
Gaming	\$ 344,437	\$ 285,683
Food and beverage	54,229	43,707
Hotel	39,992	31,563
Retail, entertainment and other	60,249	64,279
Net revenues	498,907	425,232
<b>Operating costs and expenses:</b>		
Gaming, including related party transactions of \$902 and \$904, respectively	185,293	159,088
Food and beverage	49,462	36,885
Hotel, including related party transactions of \$2,161 and \$2,161, respectively	17,670	11,695
Retail, entertainment and other	32,338	25,030
Advertising, general and administrative, including related party transactions of \$11,105 and \$10,537, respectively	104,705	95,726
Corporate, including related party transactions of \$2,563 and \$2,368, respectively	18,892	14,437
Depreciation and amortization	33,818	28,301
Impairment of tangible assets	299	—
Other, net	5,387	22,100
Total operating costs and expenses	447,864	393,262
Income from operations	51,043	31,970
<b>Other expense:</b>		
Interest income	356	701
Interest expense, net	(149,776)	(66,272)
Loss on modification and early extinguishment of debt	—	(116)
Gain (loss) on fair value adjustment	17,580	(62,580)
Other, net	(890)	(548)
Total other expense	(132,730)	(128,815)
Loss before income tax	(81,687)	(96,845)
Income tax provision	(2,083)	(122)
Net loss	(83,770)	(96,967)
Income attributable to non-controlling interests	(2,171)	(52)
Net loss attributable to Mohegan Tribal Gaming Authority	(85,941)	(97,019)
<b>Comprehensive income (loss):</b>		
Foreign currency translation adjustment	(27,943)	19,221
Other	71	—
Other comprehensive (loss) income	(27,872)	19,221
Other comprehensive (loss) income attributable to Mohegan Tribal Gaming Authority	(27,872)	19,221
Comprehensive loss attributable to Mohegan Tribal Gaming Authority	\$ (113,813)	\$ (77,798)

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

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

	<b>Retained Deficit</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total Capital Attributable to Mohegan Tribal Gaming Authority</b>	<b>Non-controlling Interests</b>	<b>Total Capital</b>
<b>Balance, September 30, 2024</b>	\$ (488,432)	\$ (56,842)	\$ (545,274)	\$ 3,297	\$ (541,977)
Net income (loss)	(85,941)	—	(85,941)	2,171	(83,770)
Foreign currency translation adjustment	—	(27,943)	(27,943)	—	(27,943)
Distributions to Mohegan Tribe	(13,997)	—	(13,997)	—	(13,997)
Other	—	71	71	—	71
<b>Balance, December 31, 2024</b>	<u>\$ (588,370)</u>	<u>\$ (84,714)</u>	<u>\$ (673,084)</u>	<u>\$ 5,468</u>	<u>\$ (667,616)</u>
<b>Balance, September 30, 2023</b>	\$ (182,169)	\$ (66,507)	\$ (248,676)	\$ 5,863	\$ (242,813)
Net income (loss)	(97,019)	—	(97,019)	52	(96,967)
Foreign currency translation adjustment	—	19,221	19,221	—	19,221
Distributions to Mohegan Tribe	(14,000)	—	(14,000)	—	(14,000)
<b>Balance, December 31, 2023</b>	<u>\$ (293,188)</u>	<u>\$ (47,286)</u>	<u>\$ (340,474)</u>	<u>\$ 5,915</u>	<u>\$ (334,559)</u>

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

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

	Three Months Ended	
	December 31, 2024	December 31, 2023
<b>Cash flows provided by (used in) operating activities:</b>		
Net loss	\$ (83,770)	\$ (96,967)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Depreciation and amortization	33,818	28,301
Non-cash operating lease expense	2,163	2,045
Non-cash accretion expense	264	331
Amortization of discounts and debt issuance costs	74,145	6,868
Paid-in-kind interest	19,478	7,921
(Gain) loss on fair value adjustment	(17,580)	62,580
Provision for losses on receivables	1,438	526
Deferred income taxes	(2,717)	(745)
Impairment charges	299	—
Other, net	3,514	(311)
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,413)	(17,752)
Inventories	(847)	(3,278)
Due from Ontario Lottery and Gaming Corporation	2,584	9,489
Contract asset	3,000	9,451
Assets held for sale	(949)	—
Other assets	880	(2,039)
Trade payables	407	6,769
Accrued interest payable	6,123	6,998
Due to Ontario Lottery and Gaming Corporation	(1,855)	3,526
Operating lease obligations	(1,670)	(1,582)
Liabilities held for sale	403	—
Other liabilities	(29,988)	(9,247)
Net cash flows provided by operating activities	<u>5,727</u>	<u>12,884</u>
<b>Cash flows provided by (used in) investing activities:</b>		
Purchases of property and equipment	(17,329)	(121,621)
Investments related to the Mohegan INSPIRE project	—	65,710
Other, net	240	65
Net cash flows used in investing activities	<u>(17,089)</u>	<u>(55,846)</u>
<b>Cash flows provided by (used in) financing activities:</b>		
Proceeds from revolving credit facilities	178,580	170,000
Repayments on revolving credit facilities	(154,300)	(131,000)
Proceeds from issuance of long-term debt	7,455	12,835
Repayments of long-term debt	(24,416)	(42,081)
Payments on finance lease obligations	(1,891)	(1,365)
Distributions to affiliates	(13,997)	(14,000)
Payments of financing fees	—	(417)
Other, net	(812)	(813)
Net cash flows used in financing activities	<u>(9,381)</u>	<u>(6,841)</u>
Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	<u>(20,743)</u>	<u>(49,803)</u>
Effect of exchange rate on cash, cash equivalents, restricted cash and restricted cash equivalents	(9,304)	10,290



	<b>Three Months Ended</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	267,268	445,308
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	<u>\$ 237,221</u>	<u>\$ 405,795</u>
<b>Reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents to the condensed consolidated balance sheets:</b>		
Cash and cash equivalents	\$ 192,694	\$ 226,379
Restricted cash and cash equivalents, current	38,149	8,823
Cash and cash equivalents included in assets held for sale	6,361	—
Restricted cash and cash equivalents, non-current	17	170,593
Cash, cash equivalents, restricted cash and restricted cash equivalents	<u>\$ 237,221</u>	<u>\$ 405,795</u>
<b>Supplemental disclosures:</b>		
Cash paid for interest	\$ 49,612	\$ 54,535
Cash paid for taxes	\$ 5,220	\$ 4,809
Non-cash transactions:		
Right-of-use assets and obligations	\$ 51	\$ —
Finance lease assets and obligations	\$ 279	\$ —
Paid-in-kind interest capitalized	\$ —	\$ 11,297
Paid-in-kind interest converted to debt	\$ 18,983	\$ 18,938
Non-cash tenant deposits	\$ 12,020	\$ —

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

**MOHEGAN TRIBAL GAMING AUTHORITY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**Note 1 — Organization and Basis of Presentation**

***Organization***

The Mohegan Tribal Gaming Authority (the “Company,” “we,” “us” or “our”) was 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. We currently own two facilities in the United States and own, operate or manage six other facilities in the United States, Canada and South Korea. We also conduct iGaming in the United States and Canada.

On November 30, 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.

***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**

2021 8% Senior Secured Notes: These notes mature in February 2026. We have determined that we will need to refinance these notes and expect that without such a refinancing it is probable that we will not have sufficient liquidity to meet the debt obligations under these notes when they come due.

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 plan to use proceeds from the refinanced Senior Secured Credit Facility to meet this debt obligation (thus increasing the Senior Secured Credit Facility obligation). As noted above, it is probable that we will not have sufficient liquidity to meet the debt obligations under the Senior Secured Credit Facility without refinancing.

Korea Credit Facility: This facility matures in November 2025. Mohegan INSPIRE will need to refinance this facility and we expect that without such refinancing it is probable that Mohegan INSPIRE will not have sufficient liquidity to meet its debt obligations under this facility when they come due. In addition, if Mohegan INSPIRE 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. Mohegan INSPIRE is a wholly owned subsidiary of MGE Korea Limited (“Korea Limited”), which is discussed further below.

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

If we are not able to (1) meet our obligations under the Guaranteed Credit Facility and (2) refinance the 2021 8% Senior Secured Notes, the Senior Secured Credit Facility, and 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 2021 8% Senior Secured Notes, 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 and/or 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*

Korea Limited, the borrower under the Korea Term Loan, is required under the terms of such agreement to satisfy certain quarterly financial covenant tests beginning with the period ended September 30, 2024. As of the date of this report, certain of the financial covenant tests and certain non-financial covenants have not been satisfied. As of the date that the accompanying consolidated financial statements are available to be issued, Korea Limited has not obtained a waiver related to these covenants. As a result, we 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. In addition, we accelerated the amortization of the related debt discount and deferred finance charges through the earliest potential maturity date. We recognized \$66.0 million during the three months ended December 31, 2024, and the unamortized balance is \$23.9 million as of December 31, 2024.

Korea Limited is a wholly owned subsidiary of the Company and the parent company of Mohegan INSPIRE. 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 ("Korea Holding III"), and a debenture over the assets of Korea Limited (subject to certain exceptions and limitations), which includes the share capital of Mohegan INSPIRE. Under the event of default provisions of the Korea Term Loan, the lenders have the right to accelerate the repayment of outstanding indebtedness and acquire ownership of Korea Limited's share capital. As described in Note 5, the lenders have exercised their rights effective February 13, 2025.

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, Korea Holding III. The event of default and the subsequent acceleration of obligations and change in ownership under the Korea Term Loan do not constitute a default under any of the other debt agreements of the Company or any of its subsidiaries.

Refer to our Annual Report 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 2021 8% Senior Secured Notes, the Senior Secured Credit Facility, and the Korea Credit Facility, and to 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 our Annual Report, as updated in Note 4, and has other commitments related to the Mohegan INSPIRE facility that are disclosed in the "Mohegan INSPIRE Commitment" section of our Annual Report. 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.

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

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) for interim financial information. The accompanying unaudited condensed consolidated financial statements do not include all of the information and footnotes required by US GAAP for complete consolidated financial statements. The accompanying year-end condensed consolidated balance sheet was derived from audited financial statements, but does not include all disclosures required by US GAAP. All adjustments, including normal recurring accruals and adjustments, necessary for a fair statement of our operating results for the interim period have been included.

Our results of operations for interim periods are not necessarily indicative of operating results for other quarters, a full fiscal year or any other period.

The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our annual report for the fiscal year ended September 30, 2024. The preparation of financial statements in conformity with 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.

***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 unaudited condensed consolidated financial statements have been prepared in accordance with pronouncements issued by the Financial Accounting Standards Board (the “FASB”). We believe the primary differences between the FASB and GASB pronouncements, as they relate to us, are the accounting for revenues, leases and asset impairments, the presentation of cash flow activities and certain additional disclosures of fixed assets.

***Mohegan Casino Las Vegas Lease Termination***

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 a \$11.9 million impairment of the net assets held for sale during the year ended September 30, 2024. An incremental impairment totaling \$0.3 million was recorded during the three months ended December 31, 2024. The net impact of the gain and impairment was recorded within impairment of tangible assets.

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

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

	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Cash	\$ 6,361	6,608
Other current assets	4,597	3,647
Property and equipment, net	5,315	5,317
Valuation allowance	(12,218)	(11,920)
<b>Assets held for sale</b>	<b>\$ 4,055</b>	<b>\$ 3,652</b>
Operating lease obligations	\$ 4,000	\$ 4,000
Accrued payroll	494	547
Other current liabilities	3,561	3,103
Other long-term liabilities	—	\$ 2
<b>Liabilities held for sale</b>	<b>\$ 8,055</b>	<b>\$ 7,652</b>

***Warrant and Put Option***

Our warrants and put option related to Mohegan INSPIRE 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. 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%. In addition, projected cash flows are utilized in this valuation approach. See Note 5 for additional information on the warrants.

***Warrants and Put Option***

*(in thousands)*

<b>Balance, September 30, 2024</b>	\$ 125,680
Unrealized loss	(17,580)
<b>Balance, December 31, 2024</b>	<b>\$ 108,100</b>

***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. The balance of the derivative liability as of December 31, 2024 and September 30, 2024 totaled \$0.8 million and \$1.0 million, respectively.

***Income Taxes***

Effective for tax years beginning on or after January 1, 2024, the countries where we do business, including Canada, Japan, South Korea, and the United Kingdom, adopted a global minimum effective tax rate of 15% based on the Pillar Two framework issued by the Organization for Economic Cooperation and Development ("OECD"). Other countries where we do business are also actively considering adopting the framework or are in various stages of enacting the framework into their country's laws. The Company is within a transitional safe harbor from the minimum tax until October 1, 2026.

While the Company continues to monitor legislative adoption of the Pillar Two rules by country, as well as additional guidance from the OECD, there is significant uncertainty that exists regarding the interpretation of the detailed Pillar Two rules, whether such rules will be implemented consistently across taxing jurisdictions, how such rules interact with existing national tax laws, and whether such rules are consistent with existing tax treaty obligations.

The OECD continues to release additional guidance, and we anticipate more countries will enact similar tax laws. These tax law changes and any additional contemplated tax law changes could increase tax expense in future periods. The Company will continue to monitor legislative developments and their implications on our financial position, results of operations, and disclosures.

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

**Note 2 — Long-Term Debt**

<i>(in thousands)</i>	December 31, 2024			September 30, 2024
	Final Maturity	Face Value	Book Value	Book Value
Senior Secured Credit Facility <sup>1</sup>	2025	\$ 48,000	\$ 48,000	\$ 25,000
Line of Credit <sup>1</sup>	2025	1,280	1,280	—
2021 8% Senior Secured Notes	2026	1,175,000	1,170,060	1,168,979
2022 13.25% Senior Unsecured Notes	2027	502,457	482,667	481,358
2016 7.875% Senior Unsecured Notes	2024	—	—	22,656
Niagara Revolving Facility	2028	—	—	—
Niagara Capital Facility	2028	63,074	62,790	67,880
Korea Credit Facility <sup>1</sup>	2025	685,923	669,507	738,454
Korea Term Loan <sup>1,2</sup>	2027	460,735	436,868	351,898
Korea Convertible Bonds	2032	113,796	73,728	81,796
Guaranteed Credit Facility <sup>1</sup>	2025	19,250	19,146	19,766
Other	Varies	424	424	429
Long-term debt		3,069,939	2,964,470	2,958,216
Current portion of long-term debt		(1,218,285)	(1,174,651)	(381,689)
Long-term debt, net of current portion		<u>\$ 1,851,654</u>	<u>\$ 1,789,819</u>	<u>\$ 2,576,527</u>
Unamortized discounts and debt issuance costs			\$ 105,468	\$ 186,462

<sup>1</sup> Classified as current portion of long-term debt

<sup>2</sup> See Note 5 for subsequent event information related to the Korea Term Loan

See Note 1 for information on maturing facilities and risks associated with our Korea Term Loan.

**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.

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

Revenue Disaggregation

<i>(in thousands)</i>	Three Months Ended December 31, 2024				
	Domestic	International	Digital <sup>1</sup>	Other <sup>2</sup>	Total
Gaming	\$ 208,151	\$ 83,195	\$ 53,092	\$ (1)	\$ 344,437
Food and beverage	34,495	19,794	(8)	(52)	54,229
Hotel	26,875	13,120	—	(3)	39,992
Retail, entertainment and other	42,464	19,570	(3)	(1,782)	60,249
Net revenues	<u>\$ 311,985</u>	<u>\$ 135,679</u>	<u>\$ 53,081</u>	<u>\$ (1,838)</u>	<u>\$ 498,907</u>

<sup>1</sup> Gaming revenues include \$10.9 million in iGaming tax reimbursement amounts from our iGaming partners.

<sup>2</sup> Includes intercompany revenue eliminations.

<i>(in thousands)</i>	Three Months Ended December 31, 2023				
	Domestic	International <sup>1</sup>	Digital <sup>3</sup>	Other <sup>2</sup>	Total
Gaming	\$ 202,675	\$ 46,774	\$ 36,234	\$ —	\$ 285,683
Food and beverage	31,329	12,432	(19)	(35)	43,707
Hotel	25,540	6,030	(6)	(1)	31,563
Retail, entertainment and other	35,347	14,032	(22)	14,922	64,279
Net revenues	<u>\$ 294,891</u>	<u>\$ 79,268</u>	<u>\$ 36,187</u>	<u>\$ 14,886</u>	<u>\$ 425,232</u>

<sup>1</sup> Includes revenues from Mohegan INSPIRE, which opened on November 30, 2023.

<sup>2</sup> Includes intercompany revenue eliminations.

<sup>3</sup> Gaming revenues include \$9.9 million in iGaming tax reimbursement amounts from our iGaming partners.

Lease Revenue

<i>(in thousands)</i>	Three Months Ended			
	December 31, 2024		December 31, 2023	
	Hotel	Retail, Entertainment and Other	Hotel	Retail, Entertainment and Other
Fixed rent	\$ 19,526	\$ 3,172	\$ 18,511	\$ 3,484
Variable rent	431	2,172	22	3,201
Total	<u>\$ 19,957</u>	<u>\$ 5,344</u>	<u>\$ 18,533</u>	<u>\$ 6,685</u>

**Contract and Contract-related Assets**

Accounts Receivable

<i>(in thousands)</i>	December 31, 2024	September 30, 2024
Gaming	\$ 59,697	\$ 65,402
Food and beverage	—	1
Hotel	8,263	7,284
Retail, entertainment and other	35,258	43,022
Accounts receivable	103,218	115,709
Allowance for doubtful accounts	(19,540)	(31,243)
Accounts receivable, net	<u>\$ 83,678</u>	<u>\$ 84,466</u>

As of December 31, 2024 and September 30, 2024, the aggregate of current and non-current contract assets related to the Niagara Resorts Casino Operating and Services Agreement with the Ontario Lottery and Gaming Corporation totaled \$2.9 million and \$6.2 million, respectively.

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

***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 and convention space, and gift card purchases.

The following contract liabilities are generally expected to be settled within one year and are recorded within other current liabilities:

<i>(in thousands)</i>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Outstanding gaming chips and slot tickets liability	\$ 14,391	\$ 33,540
Loyalty points deferred revenue liability	44,167	44,490
Customer advances and other liability	71,966	61,554
Total	<u>\$ 130,524</u>	<u>\$ 139,584</u>

As of December 31, 2024 and September 30, 2024 we had long term customer contract liabilities totaling \$18.2 million and \$6.9 million, respectively, primarily comprised of tenant security deposits and prepaid rent.

**Note 4 — Commitments and Contingencies**

We are subject to 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 record a provision with respect to a claim or legal action when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In management’s opinion, the aggregate liability, if any, arising from such claims or 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 formally served with a complaint in the Seoul Central District Court regarding this matter.

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 any favorable or unfavorable outcome or to quantify potential changes in construction costs as a result of any such litigation.

**Note 5 — Subsequent Events**

In November 2021, Korea Limited entered into the Korea Term Loan, a \$275.0 million secured term loan facility agreement. The proceeds of the Korea Term Loan were primarily used to make a capital contribution to Inspire Integrated Resort to partially fund construction-related costs for Mohegan INSPIRE. As previously described in Note 1, Korea Limited had not satisfied certain covenants under the terms of the Korea Term Loan.

On February 13, 2025, Korea Limited received a notice of acceleration (the “Notice of Acceleration”) of the Korea Term Loan from Serica Agency Limited (“Serica”), the agent and security agent, purporting to act for the Majority Lenders (as defined in the Korea Term Loan). The Notice of Acceleration asserts certain events of default under the Korea Term Loan, including relating to delivery of required financial statements; delivery of a budget; delivery of required compliance certificates; and qualifications appearing in certain required financial statements. Pursuant to the Notice of Acceleration, Serica declared all of the Loans (as defined in the Korea Term Loan) immediately due and payable, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents (as defined in the Korea Term Loan). As of the date of the Notice of Acceleration, the outstanding principal balance under the Loans was \$460.7 million, and accrued interest in respect of the Loans was \$16.5 million.

As previously described in Note 1, the Korea Term Loan is secured by, among other things, 100% of Korea Limited’s share capital pursuant to a pledge by Korea Limited’s parent, Korea Holding III, and the share capital of Mohegan INSPIRE. On February 13, 2025, in connection with the Notice of Acceleration, Korea Holding III received an appropriation notice from Serica purportedly exercising Serica’s right, in its capacity as security agent, to appropriate 100% of Korea Limited’s share capital.



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

In connection with the Korea Term Loan, in November 2021, Korea Holding III entered into a warrant agreement (the “Warrant Agreement”) to issue detachable warrants (the “Warrants”) to certain investors in the Korea Term Loan. The Warrants can be converted into up to a total of 4,400 shares of capital in Korea Holding III at an exercise price of \$0.01 per share. On February 13, 2025, the holder of 3,200 Warrants delivered a subscription notice with respect to 3,200 shares of capital in Korea Holding III.

We have evaluated events subsequent to December 31, 2024 through the issuance of the accompanying unaudited condensed consolidated financial statements on February 14, 2025, 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 quarterly report.

The following discussion and analysis of our financial condition and results of operations for the three months ended December 31, 2024 should be read in conjunction with our financial statements and the notes thereto and other financial information included elsewhere within this quarterly report.

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.mohegaming.com](http://www.mohegaming.com), under the “Investor Relations/Financial Updates” section.

### Discussion of Consolidated Operating Results

#### Consolidated Operating Results

(in thousands)	Three Months Ended December 31,		Variance	
	2024	2023	\$	%
<b>Net revenues:</b>				
Gaming	\$ 344,437	\$ 285,683	\$ 58,754	20.6 %
Food and beverage	54,229	43,707	10,522	24.1 %
Hotel	39,992	31,563	8,429	26.7 %
Retail, entertainment and other	60,249	64,279	(4,030)	(6.3)%
Net revenues	<u>\$ 498,907</u>	<u>\$ 425,232</u>	73,675	17.3 %
<b>Operating costs and expenses:</b>				
Gaming	\$ 185,293	\$ 159,088	\$ 26,205	16.5 %
Food and beverage	49,462	36,885	12,577	34.1 %
Hotel	17,670	11,695	5,975	51.1 %
Retail, entertainment and other	32,338	25,030	7,308	29.2 %
Advertising, general and administrative	104,705	95,726	8,979	9.4 %
Corporate	18,892	14,437	4,455	30.9 %
Depreciation and amortization	33,818	28,301	5,517	19.5 %
Impairment of tangible assets	299	—	299	—
Other, net	5,387	22,100	(16,713)	(75.6)%
Total operating costs and expenses	<u>\$ 447,864</u>	<u>\$ 393,262</u>	54,602	13.9 %

## Disaggregated Operating Results

<i>(in thousands)</i>	Three Months Ended December 31,		Variance	
	2024	2023	\$	%
<b>Net revenues:</b>				
Domestic	\$ 311,985	\$ 294,891	\$ 17,094	5.8 %
International	135,679	79,268	56,411	71.2 %
Mohegan Digital	53,081	36,187	16,894	46.7 %
Management, development and other	5,074	19,168	(14,094)	(73.5)%
Corporate and other	(27)	99	(126)	N.M.
Eliminations	(6,885)	(4,381)	(2,504)	(57.2)%
Net revenues	<u>\$ 498,907</u>	<u>\$ 425,232</u>	73,675	17.3 %
<b>Operating costs and expenses:</b>				
Domestic	\$ 257,101	\$ 248,035	\$ 9,066	3.7 %
International	145,394	102,747	42,647	41.5 %
Mohegan Digital	28,084	19,770	8,314	42.1 %
Management, development and other	10,181	10,006	175	1.7 %
Corporate and other	13,990	17,003	(3,013)	(17.7)%
Eliminations	(6,886)	(4,299)	(2,587)	(60.2)%
Total operating costs and expenses	<u>\$ 447,864</u>	<u>\$ 393,262</u>	54,602	13.9 %

### Domestic

#### Revenues

Net revenues increased \$17.1 million, or 5.8%, for the three months ended December 31, 2024 compared with the same period in the prior year. The increase was primarily the result of continued strength in the entertainment business, as well as higher gaming revenues. Entertainment volumes and the related food and beverage sales remained strong with additional shows in the current-year quarter.

#### Operating Costs and Expenses

Operating costs and expenses increased \$9.1 million, or 3.7%, for the three months ended December 31, 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 related increases in labor costs.

### International

#### Revenues

Net revenues increased \$56.4 million, or 71.2%, for the three months ended December 31, 2024 compared with the same period in the prior year. The increase primarily reflects the opening of Mohegan INSPIRE in November, 2023.

#### Operating Costs and Expenses

Operating costs and expenses increased \$42.6 million, or 41.5%, for the three months ended December 31, 2024 compared with the same period in the prior year. The increase primarily reflects the opening of Mohegan INSPIRE, partially offset by a favorable one-time property tax adjustment at Niagara Resorts.

### Mohegan Digital

#### Revenues

Net revenues increased \$16.9 million, or 46.7%, for the three months ended December 31, 2024 compared with the same period in the prior year. The increase was driven by the continued ramp up of our online casino gaming and sports wagering, particularly in Connecticut.

#### Operating Costs and Expenses

Operating costs and expenses increased \$8.3 million, or 42.1%, for the three months ended December 31, 2024 compared with the same period in the prior year. The increase was primarily driven by higher iGaming tax and vendor fees consistent with higher revenues, combined with higher overall operating costs and expenses, particularly advertising, associated with our online casino gaming and sports wagering operations.

## **Management, Development and Other**

### Revenues

Net revenues decreased \$14.1 million, or 73.5%, for the three months ended December 31, 2024 compared with the same period in the prior year. This decrease is due to the expiration of the ilani Casino Resort management agreement which ended in July 2024.

### Operating Costs and Expenses

Operating costs and expenses increased \$0.2 million, or 1.7%, for the three months ended December 31, 2024 compared with the same period in the prior year. This increase primarily reflects a slight increase in depreciation expense.

### **Corporate and Other**

### Operating Costs and Expenses

Operating costs and expenses decreased \$3.0 million, or 17.7%, for the three months ended December 31, 2024 compared with the same period in the prior year primarily due to the cessation of pre-opening costs associated with Mohegan INSPIRE, partially offset by an increase in labor costs and consulting fees.

### **Other Income (Expense)**

<i>(in thousands)</i>	Three Months Ended December 31,		Variance	
	2024	2023	\$	%
Interest income	\$ 356	\$ 701	\$ (345)	(49.2)%
Interest expense, net	(149,776)	(66,272)	(83,504)	(126.0)%
Loss on modification and early extinguishment of debt	—	(116)	116	N.M.
Gain (loss) on fair value adjustment	17,580	(62,580)	80,160	N.M.
Other, net	(890)	(548)	(342)	(62.4)%
Income tax provision	(2,083)	(122)	(1,961)	(1607.4)%

### Interest Expense

Interest expense increased \$83.5 million, or 126.0%, for the three months ended December 31, 2024 compared with the same period in the prior year. The increase in interest expense was primarily due to the accelerated amortization of the debt discount and deferred finance charges related to the Korea Term Loan (see Note 1) and the reduction in capitalized interest following the opening of Mohegan INSPIRE during the first quarter of fiscal 2024. We recognized \$66.0 million in amortization during the three months ended December 31, 2024. There was no capitalized interest related to Mohegan INSPIRE during the three months ended December 31, 2024 compared with \$21.6 million for the three months ended December 31, 2023.

### Modification and Early Extinguishment of Debt

Loss on modification and early extinguishment of debt primarily represents transaction costs expensed in connection with refinancing transactions.

### Fair Value Adjustment

Gain (loss) on fair value adjustment represents changes in the estimated fair value of the warrants and put option related to Mohegan INSPIRE. We recognized a gain of \$17.6 million for the three months ended December 31, 2024 compared with a loss of \$62.6 million in the same period in the prior year. The value of the warrants and put option closely correlate with the equity value of Mohegan INSPIRE. During the first quarter of fiscal 2024, Mohegan INSPIRE opened. Accordingly, the expected future cash flows increased during that period. In addition, the discount rate utilized in the valuation for that period was reduced from 12% to 10%. During the first quarter of fiscal 2025, the Korean Won to United States Dollar exchange rate decreased, lowering the estimated fair value of Mohegan INSPIRE in United States Dollars. Refer to Note 1 for additional information.

### Income Tax

Income tax provision is primarily driven by taxable income generated by the Niagara Resorts.

### **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. Accordingly, our operating results for the three months ended December 31, 2024 are not necessarily indicative of operating results for other interim periods or an entire fiscal year.

## **Liquidity and Capital Resources**

### ***Liquidity***

As of December 31, 2024 and September 30, 2024, we held cash and cash equivalents of \$192.7 million and \$204.8 million, respectively, of which \$74.0 million and \$101.9 million, respectively, was held at subsidiaries outside of the United States. 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 \$158.4 million of borrowing capacity under our senior secured credit facility as of December 31, 2024. In addition, inclusive of letters of credit which reduce borrowing availability, the Niagara Resorts had \$34.8 million of borrowing capacity under the Niagara revolving facility as of December 31, 2024. See Note 5 for information on subsequent events related to certain debt facilities.

Cash provided by operating activities decreased \$7.2 million, or 55.5%, to \$5.7 million for the three months ended December 31, 2024 compared with \$12.9 million in the same period in the prior year. The decrease in cash provided by operating activities was primarily driven by higher working capital requirements partially offset by lower net loss, after factoring in non-cash items. Refer to “Discussion of Consolidated Operating Results” for additional information.

Cash used in investing activities decreased \$38.8 million, or 69.4%, to \$17.1 million for the three months ended December 31, 2024 compared with \$55.8 million in the same period in the prior year. The decrease in cash used in investing activities was primarily driven by lower capital expenditures related to Mohegan INSPIRE following its opening in November 2023.

Cash used in financing activities increased \$2.5 million or 37.1%, to \$9.4 million for the three months ended December 31, 2024 compared with \$6.8 million in the same period in the prior year. The increase in cash used in financing activities was primarily driven by higher repayments of revolving credit facilities, partially offset by lower payments of other long term debt when compared to the same period in 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.

## Cautionary Statements Regarding Forward-Looking Information

Some information included within this quarterly 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 quarterly 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.