MARYLAND LOTTERY AND GAMING CONTROL COMMISSION

1800 Washington Blvd., Suite 330, Baltimore, Maryland 21230

COMMISSION REPORT

In Re the Application of
MGM NATIONAL HARBOR, LLC

Sports Wagering Facility License
RENEWAL

License Number 2021-SW-02

Report Date: August 7, 2026

<u>"Public Report"</u>

Introduction

Role of the Maryland Lottery and Gaming Control Commission

A Sports Wagering Facility License ("facility license") may be renewed by the Maryland Lottery and Gaming Control Commission ("Commission") following the initial 5-year term. State Gov't ("SG") § 9-1E-06(c); COMAR 36.10.03.05; COMAR 36.10.03.06. On proper application for renewal of the facility license and payment of the license renewal fee, the Commission shall renew the license. SG § 9-1E-06(c)(2). COMAR 36.10.03.06B provide that if (1) the licensee establishes, by clear and convincing evidence, that it meets applicable license qualification requirements; (2) submits to a background investigation as required by the Commission; (3) reimburses the Commission for all costs associated with the background investigation; and (4) pays the required license renewal fee, the Commission shall renew the facility's license.

The applicant for renewal of a facility license must prove to the Commission, by clear and convincing evidence, that it remains qualified to hold a facility license. SG § 9-1E-07; COMAR 36.10.03.06. Specifically, requirements for qualification include: (1) applicant's financial stability and integrity; (2) integrity of any financial backers related to the application; (3) applicant's good character, honesty, and integrity; (4) applicant's business ability; and (5) whether there are any mandatory disqualifiers that prevent the applicant from proving its qualifications by clear and convincing evidence. SG § 9-1E-07.

Process

The Regulatory Licensing and Investigations Division of the Maryland Lottery and Gaming Control Agency ("Agency") conducts the required background investigation of an applicant's qualifications. The findings of the investigation are compiled into a report which the Commission uses to determine whether the Applicant is qualified to hold a license. The Executive Summary that will be summarized by Staff at the Commission meeting is a public document, which will be provided in the Commission packets, and is also available on the Agency website with other Commission meeting documents.

As a prerequisite to being eligible for the renewal of a Sports Wagering Facility License, an applicant must submit a Sports Wagering Facility License Renewal Application to the Commission. Specifically, for renewal of the Sports Wagering Facility License, the licensee must prove that it remains qualified under SG § 9-1E-07(e) and COMAR 36.10.03.02 and not disqualified under SG § 9-1E-07(g)(1). A licensee seeking renewal of its facility license must provide all information to the Commission that is necessary for a qualification determination as to the licensee, its principals, and its principal entities.

The Applicant

The Agency conducted a suitability background license investigation of MGM National Harbor, LLC ("MGM" or the "Applicant") in connection with its application for renewal of its Sports Wagering Facility License. MGM National Harbor, LLC was qualified for a facility license by the Commission on October 6, 2021. MGM National Harbor is the sports wagering facility for MGM National Harbor's sportsbook. On December 9, 2021, the Applicant began sports wagering operations. Its current 5-year license expires on December 8, 2026.

<u>INVESTIGATION INTO APPLICANT</u>

Background

MGM was incorporated in Nevada on September 10, 2012 and is located at 101 MGM National Avenue, Oxon Hill, Maryland. MGM is a wholly-owned subsidiary of MGM Resorts International ("MGM Resorts" or "the Company"), whose primary business is the operation of casino resorts. The MGM Resorts portfolio encompasses 31 hotel and gaming locations globally. The Company is currently licensed by gaming regulatory authorities in 28 states, Washington D.C., Puerto Rico and nineteen countries internationally.

MGM National Harbor's sports wagering facility is operated by BetMGM. BetMGM is jointly owned by MGM Sports & Interactive Gaming, LLC and GVC Holdings (USA), Inc. MGM National Harbor, LLC has submitted a Sports Wagering Facility License Renewal Application to the Commission.

Ownership

As previously noted, MGM National Harbor, LLC is an indirect, wholly-owned subsidiary of MGM Resorts International which is publicly traded on the New York Stock Exchange under the symbol "MGM". In its most recent Proxy Statement filed with the U.S. Securities and Exchange Commission, MGM Resorts International disclosed that as of March 13, 2026, it had 225,846,644 shares of common stock outstanding and the following entities held beneficial ownership of 5% or more of its shares:

- IAC, Inc. – 65,822,350 shares owned (25.7%);
- The Vanguard Group – 30,476,791 shares owned (11.9%);
- Davis Selected Advisors – 26,820,202 shares owned (10.5%); and
- BlackRock, Inc. – 12,852,166 shares owned (5.0%).

IAC, Inc. has agreed to submit a Principal Entity Disclosure Form to the Commission. The Vanguard Group, Davis Selected Advisors and BlackRock, Inc. are institutional investors and the Commission has previously granted each an Institutional Investor Waiver.

Discussion of Financial Performance

Agency Staff performed a detailed analysis of MGM's operating performance and financial condition for the period from January 1, 2021 to December 31, 2025.

MGM National Harbor, LLC's overall operating performance during the five-year review period was very positive. Despite some fluctuation in revenue, MGM managed its cost of revenue and operating expenses, resulting in annual net profits totaling $482.8 million over the period reviewed. MGM's liquidity and financial resources were derived extensively from its operating activities and were used to satisfy its capital demands and make substantial distributions to its ultimate parent company. Additionally, MGM's financial condition is sound and has remained so throughout the period reviewed. MGM National Harbor, LLC has sufficient liquidity to meet its financial obligations and working capital requirements in the ordinary course of business for the foreseeable future and appears poised to continue its positive operating performance and maintain its financial strength moving forward. MGM's auditors have not expressed any concerns with its financial condition, results of operations or continuation as a going concern, and its financial ratios and margins are generally solid and compare favorably with those of its competitors. There are no financial concerns with the reissuance of a Sports Wagering Facility License to MGM National Harbor, LLC.

FINDINGS

The Agency conducted a complete and thorough background investigation as authorized under the Sports Wagering Law of MGM National Harbor, LLC by conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability. The Agency adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in this report. The results of the investigation for the specific qualification criteria enunciated in SG § 9-1E-07(e)(6), and COMAR 36.10.03.02 and because MGM National Harbor, LLC applied for renewal of its Sports Wagering Facility License under COMAR 36.10.03.06 as well as confirming that it is not disqualified under SG § 9-1E-07(g)(1), are summarized as follows:

1) **Financial stability, integrity and responsibility**

   The Applicant satisfies the standards for financial stability, integrity and responsibility in connection with its Sports Wagering Facility License Renewal Application.

2) **Integrity of financial backers, investors, mortgages, bondholders, and other holders of indebtedness**

   Based on our review, there are no material issues involving the known financial backers of the Applicant.

3) **Good character, honesty, and integrity**

   The Agency found that the Applicant possesses the requisite good character, honesty and integrity. No significant issues surfaced concerning the qualifications of the Applicant. There were no material issues discovered pertaining to the Applicant's record of regulatory compliance or litigation matters.

4) **Sufficient business ability and experience**

   The Applicant has sufficient business and experience and is not disqualified from holding a Sports Wagering Facility License. The applicant has conducted sports wagering in Maryland since December 9, 2021.

5) **Potential Disqualifying factors**

   The Applicant is not disqualified from holding a Sports Wagering Facility License based on any of the criteria listed in COMAR 36.10.03.02.C and SG § 9-1E-07(g)(1). The Applicant is qualified for renewal of its license by the Commission.

Applicant and Principal Entities

The Applicant and its principal entity satisfy the applicable qualification criteria under SG § 9-1E-07(e)(6), and COMAR 36.10.03.02, and are not disqualified under COMAR 36.10.03.02C and SG § 9-1E07(g)(1).

CONCLUSION AND RECOMMENDATIONS

The Applicant has submitted a completed Sports Wagering Facility License Renewal Application; submitted to a background investigation; reimbursed the Commission for all costs associated with the background investigation; paid the required license renewal fee; and provided adequate proof of bond. The Agency's investigation has confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the Applicant's qualifications. Based on the requirements and criteria in SG § 9-1E-07(e)(6), SG § 9-1E-06, COMAR 36.10.03.06, and COMAR 36.10.03.02, we conclude that the Applicant has established by clear and convincing evidence the qualifications required for renewal of its Sports Wagering Facility License.

Staff recommends that the Commission find MGM National Harbor, LLC qualified for renewal of its Sports Wagering Facility License and, based on the provisions of the Sports Wagering Law by clear and convincing evidence.

Staff recommends the Commission entertains motions to:

1. Find that MGM National Harbor, LLC. has established, by clear and convincing evidence, its qualifications for renewal of its Sports Wagering Facility License for a 5-year term in accordance with SG § 9-1E-06, and COMAR 36.10.03.06;

2. As provided in COMAR 36.10.03.06B, "the Commission shall renew the license if the licensee:

    a. Establishes, by clear and convincing evidence, that the licensee meets applicable license qualification requirements;
    b. Submits to a background investigation as required by the Commission;
    c. Reimburses the Commission for all costs associated with the background investigation; and

d. Pays the required license renewal fee"; and

3. Direct Staff to draft a Decision Statement on the qualification of MGM National Harbor, LLC for renewal of its Sports Wagering Facility License and Order for the license renewal term to commence upon the expiration of its current license to begin on December 9, 2026.