



Penn National Gaming Announces Pricing of Public Offering of Common Stock

September 25, 2020

WYOMISSING, Pa.--(BUSINESS WIRE)--Sep. 24, 2020-- Please replace the release with the following corrected version due to multiple revisions.

The updated release reads:

PENN NATIONAL GAMING ANNOUNCES PRICING OF PUBLIC OFFERING OF COMMON STOCK

Penn National Gaming, Inc. (PENN: Nasdaq) ("Penn National" or the "Company") today announced that it has priced its underwritten public offering of 14,000,000 shares of its common stock, \$0.01 par value per share, at a public offering price of \$61.00 per share (the "Offering"). The gross proceeds to the Company from the Offering, before deducting underwriting discounts and other offering expenses, are expected to be approximately \$854 million (or approximately \$982.1 million if the underwriters in the Offering fully exercise their option to purchase additional shares of common stock as described below).

In addition, the Company has granted the underwriters a 30-day option to purchase up to 2,100,000 of additional shares of its common stock at the public offering price less the underwriting discount in the Offering.

The Company expects to use the net proceeds from the Offering for general corporate purposes, which may include, among other things, investments in long-term growth initiatives, its brick and mortar properties and its omni-channel strategy. Subject to the satisfaction of customary conditions, the Offering is expected to close on September 29, 2020.

Goldman Sachs & Co. LLC, BofA Securities and J.P. Morgan are acting as book-running managers and representatives of the underwriters, and Fifth Third Securities, Wells Fargo Securities and Truist Securities are acting as book-running managers. BTIG, Citizens Capital Markets, TD Securities, Macquarie Capital, Barclays, Morgan Stanley, Stifel, Union Gaming, Craig-Hallum Capital Group and Rosenblatt Securities are acting as co-managers. This offering is being conducted pursuant to the Company's currently effective shelf registration statement, which was previously filed with the U.S. Securities and Exchange Commission ("SEC"). The Offering may be made only by means of a prospectus supplement and an accompanying base prospectus. The preliminary prospectus supplement and accompanying base prospectus relating to the Offering will be filed with the SEC and will be available on the SEC's website at www.sec.gov. Copies of the preliminary prospectus supplement and accompanying base prospectus relating to the Offering may be obtained from Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Prospectus Department, by telephone at (866) 471-2526, or by email at prospectus-ny@ny.email.gs.com, from BofA Securities, NC1-004-03-43 200 North College Street, 3rd floor Charlotte, NC 28255-0001 Attn: Prospectus Department or by email at dg.prospectus_requests@bofa.com or from J.P. Morgan Securities LLC, Attention: Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, telephone: 1-866-803-9204.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any share of common stock or any other security and shall not constitute any offer, solicitation or sale in any jurisdiction in which such offer, solicitation, purchase or sale is unlawful. Before investing, please read the applicable prospectus supplement and accompanying base prospectus and other documents Penn National has filed with the SEC for more complete information about Penn National.

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About Penn National Gaming

With the nation's largest and most diversified regional gaming footprint, including 41 properties across 19 states, Penn National continues to evolve into a highly innovative omni-channel provider of retail and online gaming, live racing and sports betting entertainment. The Company's properties feature approximately 50,000 gaming machines, 1,300 table games and 8,800 hotel rooms, and operate under various well-known brands, including Hollywood, Ameristar, and L'Auberge. Our wholly-owned interactive division, Penn Interactive, operates retail sports betting across the Company's portfolio, as well online social casino, bingo, and iCasino products. In February 2020, Penn National entered into a strategic partnership with Barstool Sports, whereby Barstool is exclusively promoting the Company's land-based and online casinos and sports betting products, including the Barstool Sportsbook mobile app, to its national audience. The Company's omni-channel approach is bolstered by the myChoice loyalty program, which rewards and recognizes its over 20 million members for their loyalty to both retail and online gaming and sports betting products with the most dynamic set of offers, experiences, and service levels in the industry.

Forward-looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking terminology such as "expects," "believes," "estimates," "projects," "intends," "plans," "goal," "seeks," "may," "will," "should," or "anticipates" or the negative or other variations of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company's future financial results and business.

Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. Such factors include, but are not limited to: (a) market conditions for the Company's common stock generally, for the securities of gaming, hospitality and entertainment companies; (b) the anticipated terms of the proposed Offering; (c) the timing and ability of the Company to consummate the Offering; (d) the anticipated use of proceeds and difficulties, delays or unexpected costs in offering the Offering; (e) the magnitude and duration of the impact of COVID-19 on general economic conditions, capital markets, unemployment, and the Company's liquidity, operations, supply chain, and personnel; (f) industry, market, economic, political, regulatory and health conditions; (g)

disruptions in operations from data protection breaches, cyberattacks, extreme weather conditions, civil unrest, medical epidemics or pandemics such as COVID-19 (and any reoccurrences), and other natural or manmade disasters or catastrophic events; (h) the reopening of the Company's Zia Park gaming property is subject to various conditions, including regulatory approvals, potential delays and operational restrictions; (i) our ability to access additional capital on favorable terms or at all; (j) our ability to remain in compliance with the financial covenants of our debt obligations; (k) the consummation of the Perryville transaction with GLPI is subject to various conditions, including third party agreements and approvals, and accordingly it may be delayed or may not occur at all; (l) actions to reduce costs and improve efficiencies to mitigate losses as a result of COVID-19 that could negatively impact guest loyalty and our ability to attract and retain employees; (m) the outcome of any legal proceedings that may be instituted against the Company or its directors, officers or employees; (n) the impact of new or changes in current laws, regulations, rules or other industry standards; (o) the ability of our operating teams to drive revenue and margins; (p) the impact of significant competition from other gaming and entertainment operations (including from Native American casinos, historic racing machines, state sponsored i-lottery products and video game terminals ("VGTs") in or adjacent to states in which we operate); (q) our ability (and the ability of our business partners) to obtain timely regulatory approvals required to own, develop and/or operate our properties, or other delays, approvals or impediments to completing our planned acquisitions or projects, construction factors, including delays, and increased costs; (r) the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which we do or seek to do business (such as a smoking ban at any of our properties or the potential award of additional gaming licenses proximate to our properties, as recently occurred in Illinois, Nebraska and Pennsylvania); (s) the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular; (t) the activities of our current competitors (commercial and tribal) and the rapid emergence of additional significant potential competitors (traditional, tribal, internet, social, sweepstakes based and VGTs in bars and truck stops) in or adjacent to the jurisdictions in which we do or seek to do business; (u) increases in the effective rate of taxation for any of our operations or at the corporate level; (v) our ability to identify attractive acquisition and development opportunities (especially in new business lines) and to agree to terms with, and maintain good relationships with partners and municipalities for such transactions; (w) the costs and risks involved in the pursuit of such opportunities and our ability to complete the acquisition or development of, and achieve the expected returns from, such opportunities; (x) the impact of weather, including flooding, hurricanes and tornadoes and the ability to recover associated insurance proceeds; (y) changes in accounting standards; (z) the risk of failing to maintain the integrity of our information technology infrastructure and safeguard our business, employee and customer data (particularly as our iGaming division grows); (aa) with respect to our iGaming and sports betting endeavors, the impact of significant competition from other companies for online sports betting, iGaming and sportsbooks, our ability to achieve the expected financial returns related to our investment in Barstool Sports, our ability (and the ability of our business partners) to obtain timely regulatory approvals and iOS approval required to own, develop and/or operate sportsbooks may be delayed and there may be impediments and increased costs to launching the online betting, iGaming and sportsbooks, including delays, and increased costs, intellectual property and legal and regulatory challenges, as well as our ability to successfully develop innovative products that attract and retain a significant number of players in order to grow our revenues and earnings, our ability to establish key partnerships, our ability to generate meaningful returns and the risks inherent in any new business; (bb) the impact of significant competition from other companies for online sports betting; (cc) the Company's ability to achieve the expected financial returns related to its Barstool Sportsbook app; (dd) the risk of failing to maintain the integrity of the Company's information technology infrastructure and safeguard its business, employee and customer data in connection with the Company's online sports betting; (ee) the Company's and its business partners' ability to obtain various regulatory approvals required to own, develop and/or operate the Barstool Sportsbook app may be delayed or may not occur; and (ff) other factors included in "Risk Factors," of this prospectus supplement, the Company's Annual Report on Form 10-K for the year ended December 31, 2019, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the U.S. Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.



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