



Penn National Gaming to Acquire Hollywood Casino Perryville Operations

December 15, 2020

Provides Company with Access to Upcoming Sports Betting Market in Maryland

WYOMISSING, Pa.--(BUSINESS WIRE)--Dec. 15, 2020-- Penn National Gaming, Inc. (PENN: Nasdaq) ("Penn National" or the "Company") announced today that it entered into a definitive agreement with Gaming and Leisure Properties, Inc. (GLPI: Nasdaq) ("GLPI") to acquire the operations of Hollywood Casino Perryville in Maryland for \$31.1 million in cash, subject to certain customary working capital adjustments. Simultaneous with the closing of the transaction, Penn National will enter into a lease with GLPI for the real estate assets associated with the Hollywood Casino Perryville facility with annual rent of approximately \$7.77 million.

"Penn National is excited to acquire the operations of Hollywood Casino Perryville, a property we developed in 2010, which will allow us to re-enter the strong Maryland gaming market and add a twentieth gaming jurisdiction to our leading nationwide footprint," said Jay Snowden, President and CEO of Penn National.

"In addition, with the recent approval of sports betting through the overwhelming passage of Question 2 on Election Day, Maryland is expected to soon become a significant retail and mobile sports betting market. As such, this acquisition provides another opportunity to expand our unique omni-channel platform with a Barstool-branded retail sportsbook and mobile app," concluded Mr. Snowden.

The transaction is expected to close in mid-2021, subject to the approval of the Maryland Lottery and Gaming Control Commission and other customary closing conditions.

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. Specifically, forward looking statements include, but are not limited to, statements regarding: the expected benefits and potential challenges of the Perryville transaction with Gaming and Leisure Properties, Inc., including the anticipated benefits for the Company's online and retail sports betting, iCasino and social casino products; the projected closing date of the Perryville transaction; the Company's online strategy; the expected launch and expansion of the Barstool-branded mobile sports betting product and its future revenue and profit contributions; and the Maryland gaming market, including with regards to retail and mobile sports betting. 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) the magnitude and duration of the impact of the COVID-19 pandemic on general economic conditions, capital markets, unemployment, consumer spending and the Company's liquidity, financial condition, supply chain, operations and personnel; (b) industry, market, economic, political, regulatory and health conditions; (c) disruptions in operations from data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19 (and reoccurrences), and other natural or man-made disasters or catastrophic events; (d) the reopening of the Company's gaming properties are subject to various conditions, including numerous regulatory approvals and potential delays and operational restrictions; (e) our ability to access additional capital on favorable terms or at all; (f) our ability to remain in compliance with the financial covenants of our debt obligations; (g) the closing of the Perryville transaction may be delayed or may not occur at all, for reasons beyond our control; (h) the ability to satisfy the closing conditions to the Perryville transaction in a timely basis or at all; (i) potential adverse reactions or changes to business or regulatory relationships resulting from the announcement or completion of the transaction; (j) actions to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 pandemic that could negatively impact guest loyalty and our ability to attract and retain employees; (k) the outcome of any legal proceedings that may be instituted against the Company, GLPI or their respective directors, officers or employees; (l) the impact of new or changes in current laws, regulations, rules or other industry standards; (m) the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the Company and GLPI to terminate any of the transaction agreements between the companies; (n) the ability of our operating teams to drive revenue and margins; (o) 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 VGTs in or adjacent to states in which we operate); (p) our ability 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; (q) 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 award of additional gaming licenses proximate to our properties, as recently occurred with legislation in Illinois and Pennsylvania); (r) 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; (s) the activities of our competitors (commercial and tribal) and the rapid emergence of new competitors (traditional, internet, social, sweepstakes based and VGTs in bars and truck stops); (t) increases in the effective rate of taxation for any of our operations or at the corporate level; (u) 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; (v) 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; (w) the impact of weather, including flooding, hurricanes and tornadoes; (x) changes in accounting standards; (y) 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); (z) 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 to retain key talent, our ability to obtain timely regulatory approvals 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; (aa) with respect to our proposed Pennsylvania Category 4 casinos in York and Berks counties, risks relating to construction, and our ability to achieve our expected budgets, timelines and investment returns, including the ultimate location of other gaming properties in the Commonwealth of Pennsylvania; and (bb) other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, 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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David Williams
Chief Financial Officer
Penn National Gaming
610/373-2400

Joseph N. Jaffoni, Richard Land
JCIR
212/835-8500 or penn@jcir.com

Source: Penn National Gaming, Inc.