



Penn National Gaming to Launch Penn Game Studios

May 3, 2021

Company to Acquire HitPoint Studios and LuckyPoint to Accelerate In-house Game Development and Content Creation

WYOMISSING, Pa.--(BUSINESS WIRE)--May 3, 2021-- Penn National Gaming, Inc. (Nasdaq: PENN)("Penn National" or the "Company") announced today that it has established Penn Game Studios ("PGS"), an in-house content development team focused on creating exclusive iCasino content for its customers. To fuel this effort, the Company is acquiring HitPoint Studios, Inc. ("HitPoint") and its spun-off real money gaming company, LuckyPoint Inc. ("LuckyPoint"). The acquisition is expected to close in the near term, subject to the satisfaction of customary closing conditions.

"We are incredibly excited to be launching Penn Game Studios, which is another important step in our Company's evolution into the leading omni-channel provider of retail and interactive gaming, sports betting and entertainment," said Jay Snowden, President & CEO of Penn National. "We will now have the ability to create exclusive content for our audiences, further leverage the Barstool Sports brand and our database of 20 million mychoice customers, and create cross-marketing opportunities with our brick and mortar facilities."

HitPoint is an independent game design and development studio founded in Massachusetts in 2008. Since then, HitPoint has created more than fifty games for some of the largest publishers and brands in the industry, including Microsoft, Ellen DeGeneres, EA/PopCap, Disney, Google, and NBCUniversal. HitPoint has been a frontrunner in developing platforms for real-time multiplayer casual mobile games and currently runs the day-to-day live operations for multiple games using their proprietary technology stack.

In 2019, HitPoint spun out LuckyPoint to focus on real-money game development and the creation and operation of a remote gaming server ("RGS"). In addition to traditional online casino table games and slot machines, the LuckyPoint RGS brings a variety of gaming styles to desktop and mobile devices, including retro-style arcade games and puzzle games.

"We are thrilled to be joining Penn National and bringing our expertise to the Company's interactive division," said Paul Hake, CEO of HitPoint. "We look forward to adding our creativity, design and engineering skills to an already well-accomplished team at Penn National."

Upon completion of the acquisition, the team of 30 employees from HitPoint and LuckyPoint will be integrated into Penn National's wholly-owned interactive division, Penn Interactive. The team is comprised of highly-skilled designers, artists and engineers with a passion for creating and enabling new play patterns through innovative design and technology.

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 statements regarding the potential benefits and expected timing of the closing of the Hitpoint transaction. 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) the consummation of the Hitpoint transaction is subject to closing conditions and may be delayed or may not occur at all; and (c) other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 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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Source: Penn National Gaming, Inc.