

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 19, 2021

PENN NATIONAL GAMING, INC.
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

0-24206
(Commission
File Number)

23-2234473
(I.R.S. Employer
Identification No.)

825 Berkshire Blvd., Suite 200
Wyomissing, PA 19610
(Address of principal executive offices and zip code)
Registrant's telephone number, including area code: (610) 373-2400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	PENN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 3.02. Unregistered Sale of Equity Securities

On October 19, 2021, in connection with the closing of Penn National Gaming, Inc.'s (the "Company") previously announced acquisition of Score Media and Gaming Inc., a British Columbia corporation ("theScore"), and pursuant to the Arrangement Agreement, dated as of August 4, 2021, by and among the Company, 1317774 B.C. Ltd., a British Columbia corporation and an indirect wholly owned subsidiary of the Company ("Purchaser"), and theScore (as amended, the "Arrangement Agreement"), the Company issued a total of 12,319,340 shares of common stock, par value \$0.01 per share, of the Company ("Company Common Stock"), 311,119 options to purchase Company Common Stock ("Company Option") and 472,588 restricted stock units covering Company Common Stock ("Company RSU") and Purchaser issued a total of 768,441 shares of Purchaser that are exchangeable into Company Common Stock ("Exchangeable Shares"), in each case to holders of Class A Subordinate Voting Shares, Special Voting Shares, options or restricted share units of theScore, as applicable. The transactions contemplated by the Arrangement Agreement were implemented by way of a court-approved plan of arrangement (the "Plan of Arrangement") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), as amended (the "Arrangement").

Each Exchangeable Share will be exchangeable into one share of Company Common Stock (the "Exchangeable Share Exchange Ratio") at the option of the holder, subject to certain adjustments. In addition, Purchaser may require all outstanding Exchangeable Shares to be exchanged into shares of Company Common Stock at any time following the fifth anniversary of the closing, or earlier under certain circumstances. Holders of Exchangeable Shares will be entitled to receive dividends economically equivalent to the dividends declared by the Company with respect to the Company Common Stock, unless there is an adverse tax consequence to Purchaser and Purchaser elects to equitably adjust the Exchangeable Share Exchange Ratio in lieu of paying such equivalent dividend. The Company Options and Company RSUs will continue to be governed by substantially the same terms and conditions applicable to the corresponding option or restricted share unit award granted by theScore prior to the consummation of the Arrangement (including, but not limited to, the term to expiration, conditions to and manner of exercising, if applicable, and the vesting schedule).

The shares of Company Common Stock, Company Options, Company RSUs and Exchangeable Shares (collectively "Issued Securities") were issued in reliance upon Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"). The Supreme Court of British Columbia (the "Court") was advised that the Company and Purchaser intended to reply upon Section 3(a)(10) of the Securities Act in connection with the issuance of the Issued Securities based upon the Court's approval of the Arrangement. Following a hearing that was open to any person entitled to receive Issued Securities pursuant to the Arrangement Agreement and the Plan of Arrangement, the Court on October 14, 2021 approved the Arrangement and determined that the Arrangement was procedurally and substantively fair and reasonable to those parties affected by the Arrangement, including all persons who were entitled to receive Issued Securities pursuant to the Arrangement.

Item 8.01. Other Events

On October 19, 2021, the Company issued a joint press release, a copy of which is attached as Exhibit 99.1 and incorporated by reference in this Current Report on Form 8-K, announcing the completion of the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated October 19, 2021, issued by Penn National Gaming, Inc. and Score Media and Gaming Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PENN NATIONAL GAMING, INC.

Date: October 19, 2021

By: /s/ Harper Ko

Name: Harper Ko

Title: Executive Vice President, Chief Legal Officer and Secretary



**Penn National Gaming Completes Acquisition of
Score Media and Gaming Inc.**

*- Transaction Creates North America's Leading Digital Sports Content, Gaming and
Technology Company -*

OCTOBER 19, 2021 -- WYOMISSING, Pa. and TORONTO, On -- Penn National Gaming, Inc. (PENN: NASDAQ) (“Penn National” or the “Company”) today completed its previously announced acquisition of Score Media and Gaming Inc. (“theScore”) for total consideration of approximately U.S.\$2.0 billion in cash and stock.

The acquisition of theScore fortifies Penn National’s digital media and gaming strategy, creating a complete one-stop entertainment destination. theScore is the third most popular sports media app in North America and number one in Canada. Adding theScore’s fully integrated media and betting platform and cutting-edge technology will further strengthen Penn National’s existing ecosystem and ability to seamlessly serve its customers. Pairing theScore with Barstool Sports provides Penn National with two of North America’s most powerful and unique sports media assets, with the capabilities to generate best-in-class engagement and enhanced customer acquisition and retention across its media and gaming properties.

“We’re excited to be creating this powerful new entertainment flywheel that will provide us with multiple growth channels that transcend our current business verticals,” said Jay Snowden, President and CEO of Penn National Gaming. “We look forward to entering the Canadian gaming market, which represents a compelling new opportunity, and are proud to have John Levy and his family and their entire team bring their best-in-class technology, unique perspective and skill sets to our Penn National family,” concluded Mr. Snowden.

John Levy, Chairman and Chief Executive Officer of theScore, commented, “It is a truly exciting time to join Penn National and collaborate with their team to build a highly innovative and first-of-its-kind sports media and gaming company. There is natural alignment between the two companies, and we are perfectly positioned to capitalize on the growing entertainment opportunities across mobile sports media, sports betting and online casino. We believe the combined company is well-positioned to continue growing our business across North America, including the expected opening of sports betting and iGaming in Ontario later this year.”

Early Warning Reporting

Immediately prior to the effective date of the transaction, Penn National and its subsidiaries owned an aggregate of 1,666,667 Class A Subordinate Voting Shares of theScore (“Class A Shares”), representing approximately 2.98% of the outstanding shares of theScore (“theScore Shares”) at such time. Under the terms of the transaction, 1317774 B.C. Ltd. (the “Purchaser”), an indirectly wholly owned subsidiary of Penn National, acquired each of the issued and outstanding theScore Shares (other than those held by Penn National and its subsidiaries) for US\$17.00 (approximately C\$21.04 based on the Bank of Canada’s USD/CAD exchange rate on October 18, 2021, the date prior to the effective date of the acquisition) and either 0.2398 of a share of Penn National common stock (each whole share, a “Penn Share”) or, if validly elected, 0.2398 of an exchangeable share in the capital of the Purchaser (each whole share, an “Exchangeable Share”). The aggregate consideration delivered pursuant to the transaction for theScore Shares (including cash payments in lieu of fractional shares) was US\$922,813,176.67 (approximately C\$1,141,981,306.13), 12,319,340 Penn Shares and 697,539 Exchangeable Shares. Each whole Exchangeable Share is exchangeable for one whole Penn Share, subject to adjustment. The closing trading price of a Penn Share on NASDAQ on October 18, 2021, the date prior to the effective date of the transaction, was US\$77.30 (approximately C\$95.66).

An early warning report will be filed on SEDAR at www.sedar.com under the theScore's profile. In order to obtain a copy of the early warning report, please contact Penn National's Secretary at: (610) 373-2400.

The Class A Shares will be delisted from the Toronto Stock Exchange and theScore intends to apply to cease to be a reporting issuer in Canada. The Class A Shares have been suspended from trading and will be delisted from NASDAQ and deregistered under the Securities Exchange Act of 1934 in accordance with applicable law. The Toronto Stock Exchange will disseminate a notice announcing the delisting of the Class A Shares in due course. Registered holders of Class A Shares should send their completed and executed letters of transmittal and related share certificates, if any, to the depository for the transaction, Computershare Investor Services Inc., as soon as possible in order to receive the consideration to which they are entitled under the transaction.

In connection with the closing of the acquisition, the Purchaser has obtained an order from the Canadian securities regulatory authorities exempting it from the Canadian continuous disclosure obligations on a basis consistent with the conditions set out in applicable securities law provisions that would otherwise apply to the Purchaser but for the terms of the Exchangeable Shares not providing for voting rights.

The amount specified in respect of each Exchangeable Share for the purposes of subsection 191(4) of the *Income Tax Act* (Canada) shall be C\$94.756.

About Penn National

With the nation's largest and most diversified regional gaming footprint, including 43 properties across 20 states, Penn National continues to evolve into a highly innovative omni-channel provider of retail and online gaming, live racing and sports betting entertainment. Penn National'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. Penn National's wholly-owned interactive division, Penn Interactive Ventures, LLC, operates retail sports betting across its portfolio, as well as online social casino, bingo, and iCasino products. In February 2020, Penn National entered into a strategic partnership with Barstool Sports, Inc. ("Barstool") whereby Barstool will exclusively promote Penn National's land-based and online casinos and sports betting products, including the Barstool Sportsbook mobile app, to its national audience. Penn National's omni-channel approach is bolstered by the my**choice** loyalty program, which rewards and recognizes its over 24 million members for their loyalty to both retail and online gaming and sports betting products with the most dynamic set of offerings, experiences, and service levels in the industry. Penn National is a corporation organized under the laws of the Commonwealth of Pennsylvania. The Purchaser, an indirectly wholly owned subsidiary of Penn National, is a British Columbia corporation that was formed in connection with the Arrangement. The head office of the Purchaser and Penn National is located at 825 Berkshire Blvd., Suite 200, Wyomissing, Pennsylvania, 19610.

About theScore

theScore empowers millions of sports fans through its digital media and sports betting products. Its media app 'theScore' is one of the most popular in North America, delivering fans highly personalized live scores, news, stats, and betting information from their favorite teams, leagues, and players. theScore's sports betting app 'theScore Bet' delivers an immersive and holistic mobile sports betting experience and is currently available to place wagers in New Jersey, Colorado, Indiana and Iowa. theScore also creates and distributes innovative digital content through its web, social and esports platforms. The head office of theScore is located at 500 King Street West, Fourth Floor, Toronto, Ontario, M5V 1L9.

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws.

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 delisting of theScore Shares from the TSX and NASDAQ and the Company's digital media and gaming strategy. 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 Company may not be able to achieve the anticipated financial returns from the acquisition of theScore due to fees, costs and taxes in connection with the integration of Barstool Sports and theScore; (c) potential adverse reactions or changes to business or regulatory relationships resulting from the announcement or completion of the acquisition; (d) the ability of the Company or theScore to retain and hire key personnel; (e) 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; and (f) other factors as discussed in theScore's Annual Information Form as filed with applicable securities regulatory authorities in Canada and as filed with the U.S. Securities and Exchange Commission, and elsewhere in documents that theScore files from time to time with such securities regulatory authorities in Canada and with the U.S. Securities and Exchange Commission, including its Management's Discussion & Analysis and Management Information Circular. Neither the Company nor theScore intends 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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