



GAMING & LEISURE
PROPERTIES, INC.

Gaming and Leisure Properties, Inc. Announces Sale and Lease Transactions

December 15, 2020

Company Enters into New Long-Term Leases with Affiliates of Penn National Gaming, Inc. and Casino Queen

WYOMISSING, Pa., Dec. 15, 2020 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (the "Company" or "GLPI") (NASDAQ: GLPI), announced today that the Company has entered into a definitive agreement with Penn National Gaming, Inc. (NASDAQ: PENN) ("Penn National" or the "Company") to sell to Penn National 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, GLPI will enter into a new lease with Penn National for the real estate assets associated with Hollywood Casino Perryville, for initial annual cash rent of approximately \$7.77 million. The lease will have an initial term of 15 years with four 5-year extensions.

GLPI has also entered into a definitive agreement to sell the operations of Hollywood Casino Baton Rouge ("HCBR") to Casino Queen Holding Company Inc. ("Casino Queen") for \$28.2 million. GLPI will retain ownership of all real estate assets at HCBR and will simultaneously enter into a master lease with Casino Queen, which will include both the DraftKings at Casino Queen ("DKCQ") property in East St. Louis and the HCBR facility, for initial annual cash rent of approximately \$21.4 million. The lease will have an initial term of 15 years with four 5-year extensions.

In conjunction with the transaction, GLPI will also have a right of first refusal with Casino Queen for other sale leaseback transactions up to \$50 million over the next 2 years. GLPI will complete the previously announced landside development project at HCBR and the rent under the master lease will be adjusted upon delivery to reflect a yield of 8.25% on GLPI's project costs.

Peter Carlino, Chairman and Chief Executive Officer of GLPI, commented, "The sale of our operations in Baton Rouge and Perryville is bittersweet as both properties were foundational to the creation of GLPI seven years ago. We are grateful to the team members who do an amazing job managing these properties and delivering great guest entertainment and amenities, particularly in the face of the challenges brought on by the pandemic. We are confident that they are in good hands with the new operators of these properties and will continue to shine under Penn National and Casino Queen. By retaining the real estate of both Perryville and Baton Rouge, and continuing the development on the expansion in Baton Rouge, we retain a vested interest in their future. Finally, while we have decided to divest these operations to focus on our core business, our institutional knowledge and ability to operate gaming facilities at a high level remain intact should a compelling opportunity arise in the future."

Terry Downey, President and Chief Executive Officer of Casino Queen commented further, "Casino Queen is pleased to be working with GLPI on this transaction. This gives us the opportunity to expand our regional footprint into the Baton Rouge area, a market which we are very excited about. We feel that with sports betting coming on, along with traditional gaming, we have a lot to offer to our valued customers."

Both transactions are expected to close in the second half of 2021, subject to regulatory approvals and other customary closing conditions.

Penn National Gaming is the nation's largest and most diversified regional gaming operator with 41 properties across 19 states (including the Perryville property). 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.

Casino Queen is a regional gaming company owned by Standard General that owns or is under contract to buy four casinos across three states and is focused on further expanding its casino and sports betting operations.

About Gaming and Leisure Properties

GLPI is engaged in the business of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements, pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. GLPI elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes commencing with the 2014 taxable year and was the first gaming-focused REIT in North America.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including our expectations regarding our receipt of deferred rent and loan satisfaction from Casino Queen, as well as our ability to complete the sale of the operations of Hollywood Casino Perryville and Hollywood Casino Baton Rouge and related transactions. Forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "believes", "estimates", "intends", "may", "will", "should" or "anticipates" or the negative or other variation of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such forward looking statements are inherently subject to risks, uncertainties and assumptions about GLPI and its subsidiaries, including risks related to the following: GLPI's ability to successfully consummate the Hollywood Casino Perryville and Hollywood Casino Baton Rouge divestitures and related transactions, including the ability of the parties to satisfy various closing conditions, receipt of required regulatory approvals, or other delays or impediments to completing the proposed transactions; GLPI's ability to collect deferred rent and the loan repayment obligations from Casino Queen; GLPI's ability to maintain its status as a REIT; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries; and other factors described in GLPI's Annual Report on Form 10-K for the year ended December 31, 2019, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the SEC. All subsequent written and oral forward-looking statements attributable to GLPI or persons acting on GLPI's behalf are expressly qualified in their entirety by the cautionary statements included in this press release. GLPI undertakes no obligation to publicly update or revise any forward-looking statements contained or incorporated by reference herein, whether as a result of new information, future events or otherwise, 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 as presented or at all.

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