



GAMING & LEISURE
PROPERTIES, INC.

Gaming and Leisure Properties to Acquire Real Property Assets of Bally's Two Rhode Island Assets for \$1.0 Billion

Jun 28, 2022

Acquisition Expected to be Immediately Accretive at Closing; Further Diversifies Company's Nationwide Footprint

Transaction to be Completed at 7.6% Capitalization Rate

WYOMISSING, Pa., June 28, 2022 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) ("GLPI" or "the Company") announced today that it has entered into a binding term sheet with Bally's Corporation (NYSE: BALY) ("Bally's") to acquire the real property assets of Bally's two Rhode Island casino properties – Bally's Twin River Lincoln Casino Resort ("Lincoln") and Bally's Tiverton Casino & Hotel – subject to customary regulatory approvals with Bally's Twin River Lincoln Casino Resort also subject to lender consent. Pursuant to the terms of the transaction, Bally's will immediately lease back both properties and continue to own, control, and manage all the gaming operations of the facilities on an uninterrupted basis. Total consideration for the acquisition is \$1.0 billion and GLPI expects the transaction to be accretive to earnings upon closing in late 2022. GLPI intends to fund the transaction through a mix of debt, equity, and OP units.

Both properties are expected to be added to the existing Bally's Master Lease (the "Master Lease") between GLPI and Bally's, with incremental rent of \$76.3 million. The Master Lease has an initial term of 15 years (with 14 years remaining) followed by four five-year renewals at the tenant's option. Normalized rent coverage on the Master Lease – which includes Bally's Dover Casino Resort, Bally's Evansville Casino & Hotel, Bally's Quad Cities Casino & Hotel and Bally's Black Hawk Casinos – is expected to be 2.0x in the first calendar year following the completion of the acquisition of the real property assets of Bally's Rhode Island properties.

Peter Carlino, Chairman and CEO of GLPI, commented, "GLPI is delighted to extend our relationship with Bally's that brings to the table a high-growth track record through their ownership of properties in attractive regional gaming markets. Bally's Rhode Island assets have delivered exceptionally strong performance over their lifetime thanks to their attractive location near Providence while planned capital investments at Lincoln offer healthy upside potential. Bally's properties are currently the only two gaming facilities in Rhode Island and the transaction again diversifies our portfolio as the state becomes our 18th U.S. jurisdiction. Importantly, this transaction comes with a conservative rent and Master Lease structure that offers GLPI material downside protection while offering our Company with an opportunity for additional long-term growth. We thank Bally's for their trust in GLPI and look forward to fostering this growing relationship going forward."

In connection with GLPI's commitment to consummate the Bally's acquisitions, it also agreed to pre-fund, at Bally's election, a deposit of up to \$200.0 million, which will be credited or repaid to GLPI at the earlier of closing and December 31, 2023, in either case along with a \$9.0 million transaction fee payable at closing.

If all third-party consents and approvals for the acquisition of Lincoln are not timely received, then GLPI will instead acquire the real property assets of the Hard Rock Hotel & Casino Biloxi ("Biloxi") in Mississippi along with Bally's Tiverton Casino & Hotel, for total rent of \$48.5 million, at the same combined 7.6% capitalization rate with total a payment of \$635 million. In that event, GLPI will also have the option, subject to receipt of required consents, to acquire the real property assets of Lincoln prior to December 31, 2024 for a purchase price of \$771 million and additional rent of \$58.8 million.

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.

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 ability to add the new properties to the Master Lease and the expected rent coverage. 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 add Bally's Tiverton Casino & Hotel and Bally's Twin River Lincoln Casino Resort to the Master Lease; the potential negative impact of recent high levels of inflation and the impact of monetary policies implemented to control inflation; GLPI's ability to participate in its tenants' growth and expansion initiatives; the effect of pandemics, such as COVID-19, on GLPI as a result of the impact such pandemics may have on the business operations of GLPI's tenants and their continued ability to pay rent in a timely manner or at all; GLPI's ability to successfully consummate the announced transactions with Bally's, including the ability of the parties to satisfy the various conditions to closing, including receipt of all required regulatory approvals, or other delays or impediments to completing the proposed transaction; the availability of and the ability to identify suitable and attractive acquisition and development opportunities and the ability to acquire and lease those properties on favorable terms; the ability to receive, or delays in obtaining, the regulatory approvals required to own and/or operate its properties, or other delays or impediments to completing acquisitions or projects; GLPI's ability to maintain its status as a REIT; our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to GLPI; the impact of our substantial indebtedness on our future operations; 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, 2021, Quarterly Reports on Form

10-Q and Current Reports on Form 8-K, each as filed with the Securities and Exchange Commission. 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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