

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 9, 2022**

PENN Entertainment, Inc.

(Exact Name of Registrant as Specified in 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)

610-373-2400
Registrant's Telephone Number, Including Area Code

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 (see General Instruction A.2. below):

- Written communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

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 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

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 1.01. Entry into a Material Definitive Agreement.

On October 9, 2022, PENN Entertainment, Inc. (“PENN” or the “Company”), entered into a binding term sheet (the “Term Sheet”) with Gaming and Leisure Properties, Inc. (“GLPI”). The majority of the real estate assets (i.e., land and buildings) used in the Company’s operations are subject to triple net leases with affiliates of GLPI, including the triple net master lease which became effective November 1, 2013 pursuant to which an affiliate of PENN leases real estate assets associated with 19 of PENN’s gaming facilities (the “PENN Master Lease”).

Pursuant to the Term Sheet, PENN and GLPI have agreed, among other things, that they or their affiliates will:

- amend the PENN Master Lease to (i) remove the land and buildings for Hollywood Casino Aurora in Aurora, IL (the “Aurora Property”), Hollywood Casino Joliet in Joliet, IL (the “Joliet Property”), Hollywood Casino Columbus in Columbus, OH (the “Columbus Property”), Hollywood Casino Toledo in Toledo, OH (the “Toledo Property”) and the M Resort Spa & Casino in Henderson, NV (the “M Resort”) and (ii) make associated adjustments to the rent under the PENN Master Lease, after which the initial Rent in the Penn Master Lease will be \$284,132,000, consisting of \$208,195,000 of Building Base Rent, \$43,035,000 of Land Base Rent and \$32,902,000 of Percentage Rent (as such terms are defined in the PENN Master Lease);
- terminate the existing leases associated with Hollywood Casino at the Meadows in Washington PA (the “Meadows Property”) and Hollywood Casino Perryville in Perryville, MD (the “Perryville Property”); and
- enter into a new master lease (the “New Lease”), effective January 1, 2023, for the Aurora Property, the Joliet Property, the Columbus Property, the Toledo Property, the M Resort, the Meadows Property and the Perryville Property, which New Lease will be cross-defaulted, cross-collateralized and coterminous with the PENN Master Lease, and subject to a similar parent guarantee.

The New Lease will include a base rent (the “Base Rent”) equal to \$232,170,000 and additional rent (together with the Base Rent, the “Rent”) equal to (i) 7.75% of any project funding received by PENN from GLPI for an anticipated relocation of PENN’s riverboat casino and related developments with respect to the Aurora Property (the “Aurora Project”) and (ii) a percentage, based on then-current market conditions, of any project funding received by PENN from GLPI for certain anticipated development projects with respect to the Joliet Property, the Columbus Property and the M Resort (the “Other Development Projects”). GLPI will fund up to \$225 million for the Aurora Project, and GLPI has committed to fund, upon PENN’s request, up to \$350 million in the aggregate for the Other Development Projects, in accordance with certain terms and conditions set forth in the Term Sheet. The Rent will be subject to a one-time increase of \$1,400,000, effective the fifth anniversary of the effective date. The Rent will be further subject to a fixed escalator of 1.5% on November 1, 2023 and annually thereafter. PENN may elect not to proceed with or to abandon any development project, provided that GLPI will be reimbursed for any out-of-pocket costs associated with an abandoned project. The Aurora Project and the Other Development projects are all subject to necessary regulatory and other government approvals.

PENN and GLPI have agreed to use commercially reasonable efforts to enter into definitive documentation setting forth the terms and conditions regarding the transactions contemplated by the Term Sheet in further detail as promptly as practicable. The respective obligations of PENN and GLPI to enter into the agreements and transactions contemplated by the Term Sheet are subject to each party having obtained amendments from such party’s credit agreement lenders as it reasonably and in good faith determines are appropriate under the circumstances and any necessary governmental (including gaming) approvals. PENN and GLPI have agreed to use commercially reasonable efforts to obtain any such amendment, as well as any necessary regulatory approvals, as promptly as practicable.

The summary of the Term Sheet set forth above is qualified in its entirety by reference to the Term Sheet, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 8.01. Other Events.

On October 10, 2022, the Company issued a press release announcing the execution of the Term Sheet. A copy of the press release is attached as Exhibit 99.1 to this report and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Binding Term Sheet, dated as of October 9, 2022, by and among PENN Entertainment, Inc. and Gaming and Leisure Properties, Inc.
99.1	Press Release dated October 10, 2022 of PENN Entertainment, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

Date: October 11, 2022

PENN ENTERTAINMENT, INC.

By: /s/ Harper Ko

Harper Ko

Executive Vice President, Chief Legal Officer and Secretary

Binding Term Sheet

Set forth below are the terms of a legally binding term sheet (this "Agreement"), dated as of October 9, 2022, by and among GLP Capital, L.P. (together with its affiliates, "GLP") and PENN Entertainment, Inc. ("PENN" and, together with GLP, each a "Party" and, collectively, the "Parties"). As the context may require, references to GLP and PENN in this Agreement shall be deemed to refer to their respective affiliates and subsidiaries. This Agreement serves as a mutually agreed set of terms between Parties to be incorporated as soon as practicable after the date hereof in definitive documents and agreements (collectively, the "Definitive Documents") setting forth the terms and conditions addressed herein in further detail, as well as such other terms and conditions as shall be customary and not inconsistent with the terms hereof.

New Master Lease

- **Properties.** PENN and GLP (or affiliates thereof) shall execute a new master lease which will be effective as of January 1, 2023 (the "Effective Date") and include the land and buildings for the following seven properties (the "New Lease"): Hollywood Casino Aurora in Aurora, IL (the "Aurora Property"), Hollywood Casino Joliet in Joliet, IL (the "Joliet Property"), Hollywood Casino Columbus in Columbus, OH (the "Columbus Property"), Hollywood Casino Toledo in Toledo, OH (the "Toledo Property"), Hollywood Casino at the Meadows in Washington PA (the "Meadows Property"), the M Resort Spa & Casino in Henderson, NV (the "M Resort"), and Hollywood Casino Perryville in Perryville, MD (the "Perryville Property"). The New Lease will also include land and improvements for the Aurora Project and the Joliet Project (as defined below), either at the effective date or when later acquired. The Parties will endeavor to structure and include language in the New Lease to mitigate unnecessary transaction costs and administration, including as relates to taxes, title insurance, and mortgages, in each case in a manner reasonably acceptable to the Parties. PENN will execute and deliver guaranties in connection with the New Lease in the same form as those guaranties currently in effect in connection with the Penn Master Lease (as defined below).
- **Amendment to Current Lease.** Concurrently with the effectiveness of the New Lease, the definitive agreement will reflect (i) the current lease by and between PENN Cecil Maryland, LLC and GLP for the Perryville Property (the "Perryville Lease") will terminate; (ii) the current lease by and between PA Meadows, LLC, WTA II, LLC, CCR Pennsylvania Racing, LLC and PNK Development 33, LLC for the Meadows Property (the "Meadows Lease") will terminate; (iii) the current master lease between Penn Tenant, LLC and GLP (the "Penn Master Lease") will be amended to remove the Aurora Property, the Joliet Property, the Columbus Property, the Toledo Property, and the M Resort; and (iv) after giving effect to the removal of properties described above, the initial Rent in the Penn Master Lease will be \$284,132,000, consisting of \$208,195,000 of Building Base Rent, \$43,035,000 of Land Base Rent, and \$32,902,000 of Percentage Rent as more fully set forth in Schedule A. Capitalized terms used but not defined in this provision shall have the meanings ascribed thereto in the Penn Master Lease. For the avoidance of doubt, the Penn Master

Lease will continue and remain unmodified and in full force and effect until an amendment thereto is fully executed and the New Lease has been fully executed and is effective.

- **Rent Pursuant to New Lease.** The New Lease will include a base rent (the “Base Rent”) equal to \$232,170,000. The New Lease will also include additional rent (the “Additional Rent”), beginning on the Additional Rent Start Date (as defined below) (the Base Rent and the Additional Rent are collectively referred to as the “Rent.”) The Additional Rent for the Aurora Project shall be equal to 7.75% of any Project Funding received by PENN. To the extent that PENN may elect to receive funding from GLP for any of the Joliet Project, the Columbus Project and the M Project, the Additional Rent shall be subject to the terms set forth in Schedule A. The Rent shall be subject to a fixed escalator of 1.5% per year, beginning November 1, 2023 and reoccurring every November 1st thereafter. The Rent shall be further subject to an increase of \$1.4 million, in addition to the normal 1.5% escalation, effective on the fifth anniversary of the Effective Date. The New Lease will be cross-defaulted, cross-collateralized and co-terminus with the Penn Master Lease. The New Lease will include a framework to allow PENN to divest the operations of the Perryville Property and the Meadows Property to a qualified successor tenant if such divestiture is reasonably likely to be required by Federal or state regulators in connection with PENN’s acquisition and/or leasing of any new property (with qualifications to be defined in the New Lease) without GLP’s consent; provided that such qualified successor tenant agrees to the same lease terms (adjusted only as necessary for such lease to be a single property lease) and, in the event of such a transfer, will include an opportunity for GLP to participate in such acquisition of any new property triggering said divestiture (to the extent that the new property is wholly owned or leased).

Development Projects

- **The Aurora Property.** PENN shall construct a new casino (and, as currently contemplated, a hotel and event center) at a new site in Aurora, IL (the “Aurora Project”) as further defined in a Redevelopment Agreement that PENN and GLP will enter into with the City of Aurora in a form reasonably acceptable to PENN and GLP (the “Redevelopment Agreement”), subject to customary due diligence. The Aurora Project will be developed by PENN according to plans reasonably approved by GLP, with a current budget anticipated to be approximately \$358.4 million, inclusive of \$50 million to be funded by the City of Aurora through a new bond issuance (which shall be paid directly to PENN regardless of whether eligible costs authorizing such payment were incurred by PENN or GLP), and with construction anticipated to commence no later than June 30, 2024. Pursuant to the Redevelopment Agreement, PENN will guarantee certain real estate tax revenues and the City will transfer both City-owned property and either two or three options to purchase additional land (the “Options”) to GLP. Subject to the terms of the Redevelopment Agreement and completion of customary due diligence, GLP will exercise the Options at its own expense, with a total purchase price not to exceed \$10.65 million,

which will be included in the Project Funding (as defined below). In the event that the Options must be exercised prior to the Effective Date, PENN and GLP will work together in good faith to establish a separate lease for the properties subject to the Options that will terminate on the Effective Date. Upon opening the new casino (the "New Aurora Property"), PENN intends to cease operations at the current Aurora Property and the New Lease will be amended to remove the current Aurora Property and adjust the rent as provided herein, following which PENN will demolish the Aurora Property at PENN's expense and GLP will transfer the fee owned land for the current Aurora Property to the City pursuant to the Redevelopment Agreement. Subject to any necessary consents or approvals, GLP will also assign its rights under all existing leases at the current Aurora Property to the City, or, at the City's request, terminate such leases; provided that PENN shall reimburse GLP for any costs, expenses or fees incurred in connection with the assignment or termination of such leases. PENN and GLP will work together in good faith to structure the transaction (including the terms of the Redevelopment Agreement) in a tax-efficient manner. PENN and GLP will enter into reciprocal indemnities that generally provide as follows: (a) PENN will indemnify and hold harmless GLP and its affiliates from and against any actions or losses incurred as a result of any action taken by third parties, including the City of Aurora, its affiliates, successors or assigns, pursuant to the Redevelopment Agreement for obligations undertaken by PENN as "Developer"; and (b) GLP will indemnify and hold harmless PENN and its affiliates from and against any actions or losses incurred as a result of any action taken by third parties, including the City of Aurora, its affiliates, successors or assigns, pursuant to the Redevelopment Agreement for obligations undertaken by GLP as "Owner".

- **The Joliet Property.** PENN shall construct a new casino at the Rock Run Crossings development project site in Joliet, IL (the "Joliet Project"). The Joliet Project will be developed by PENN according to plans reasonably approved by GLP, with a current budget anticipated to be approximately \$184.4 million. Separate from anticipated budget or any Project Funding, GLP will purchase the Joliet Project real property and demolish any existing structures on the land for the Joliet Project at GLP's sole cost, subject to GLP's approval of the terms of such purchase and demolition, and PENN agrees to manage such demolition if requested by GLP for a market fee and on customary market terms and conditions reasonably agreed upon by the Parties. GLP will further provide funding of \$5 million toward site work and development costs associated with the Joliet Project, and this \$5 million will not be included as Project Funding (as defined below). Upon opening the new casino (the "New Joliet Property"), PENN intends to cease operations at the current Joliet Property, the New Lease will be amended to remove the current Joliet Property and add the New Joliet Property in accordance with Schedule A if not previously included, and GLP will retain ownership of the current Joliet Property.

	<ul style="list-style-type: none"> • The Columbus Property. PENN shall construct a new hotel adjacent to the Columbus Property (the "<u>Columbus Project</u>"). The Columbus Project will be developed by PENN according to plans reasonably approved by GLP, with a current budget anticipated to be approximately \$100 million. • The M Resort. PENN shall construct an additional hotel tower at the M Resort (the "<u>M Project</u>"). The M Project would be developed by PENN according to plans reasonably approved by GLP, with a current budget anticipated to be approximately \$206 million. • GLP Funding. GLP will commit to provide funding (the "Project Funding") for the Aurora Project, Joliet Project, Columbus Project, and M Project (each a "Project" and collectively the "Projects") as follows: (a) GLP will fund \$225 million for the Aurora Project if PENN elects to proceed with such Project; and (b) at PENN's request, up to \$130 million toward the Joliet Project, up to \$70 million toward the Columbus Project, and up to \$150 million toward the M Project (together with the \$225 million invested in the Aurora Project, the "Project Funding Maximum"), subject to reasonable and customary terms and conditions. The Project Funding shall be consistent with Schedule A and further set forth in the New Lease, which Project Funding, other than with respect to the Aurora Project, PENN may elect in its sole discretion. The Project Funding commitments described above will expire on January 1, 2026 if not requested by PENN prior to such time. • PENN Discretion. PENN may elect to not proceed with or abandon any Project at any time prior to construction commencement in PENN's sole discretion, provided that GLP will be reimbursed by PENN for any out-of-pocket costs associated with an abandoned Project. In the event that the Aurora Project or Joliet Project is abandoned, PENN (or the City of Aurora, as provided in the Redevelopment Agreement) will purchase the newly acquired land from GLP and refund any costs funded by GLP as set forth above. If PENN abandons a Project for which any Project Funding has been previously funded, there will be no change in the Additional Rent which is based on such Project Funding; provided that PENN repays any applicable Project Funding.
Implementation; Conditions	<p>Each Party agrees to use commercially reasonable efforts to negotiate and enter into the Definitive Documents with respect the transactions contemplated hereby as promptly as practicable following the date hereof in order to fully reflect the terms contemplated hereby as well as such other terms and conditions as shall be customary and not inconsistent with the terms hereof. Without limiting the foregoing, and subject to the next paragraph, the Parties agree that unless and until such Definitive Documents are executed and delivered, the terms set forth in this Agreement shall control and constitute a binding agreement with respect to the subject matter hereof.</p> <p>The Parties' respective obligations to enter into the Definitive Documents and transactions contemplated hereby are subject to each Party having obtained amendments from such Party's credit agreement lenders as it shall reasonably and in good faith determine are appropriate under the circumstances and any necessary governmental (including gaming) approvals. Each Party shall use commercially reasonable efforts to obtain any such amendment, as well as any applicable regulatory approvals, as promptly as practicable following the date hereof.</p>

Governing Law; Jurisdiction	New York law and New York federal courts. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.
Costs	In any dispute between the Parties with respect to this Agreement, the substantially prevailing Party shall be entitled to be reimbursed its reasonable costs in connection with such dispute by the other Party, exclusive of any punitive or consequential damages.
Specific Performance	The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions, without the posting of any bond, to prevent breaches of this Agreement and to seek to enforce specifically the terms and provisions of this Agreement in any federal court of the United States of America sitting in the State of New York), this being in addition to any other remedy to which they are entitled at law or in equity.
Further Assurances	The Parties shall cooperate to take any further action necessary or desirable to implement or otherwise consummate the transactions and agreements contemplated hereby. Further, the Parties will use good faith efforts to determine a consistent tax reporting plan, recognizing GLP's structure as a real estate investment trust.
Confidentiality	The Parties shall maintain the confidentiality of the negotiations with respect to this Agreement and the transactions contemplated hereby, it being understood that (i) each Party shall be permitted to (a) summarize and file a copy of this Agreement in connection with its SEC reporting obligations and (b) summarize and provide a copy of the Agreement to its credit agreement lenders and (ii) each Party shall use commercially reasonable efforts to provide the other Party with an opportunity to review and comment upon on proposed public disclosures with respect to this Agreement and the transactions contemplated hereby (other than public disclosures which do not materially differ from prior public disclosures made in accordance with this clause (ii)).

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

GLP CAPITAL, L.P.

By: /s/ Brandon J. Moore

Name: Brandon J. Moore

Title: Executive Vice President, General Counsel & Secretary

PENN ENTERTAINMENT, INC.

By: /s/ Jay Snowden

Name: Jay Snowden

Title: Chief Executive Officer

[Signature Page to Binding Term Sheet]



PENN Entertainment to Pursue Four New Growth Projects, Including the Land-based Relocations of Hollywood Casinos in Aurora and Joliet (Illinois) and New Hotels at Hollywood Casino Columbus (Ohio) and the M Resort (Nevada)

Company to Amend Master Lease with Gaming and Leisure Properties to Facilitate and Fund up to \$575 Million of the Approximately \$850 Million Overall Project Budget

WYOMISSING, PA (October 10, 2022) -- PENN Entertainment, Inc. ("PENN" or the "Company") (Nasdaq: PENN) announced today that it intends to relocate its riverboat casinos in Aurora and Joliet, Illinois to new land-based facilities and to build a new hotel at Hollywood Columbus in Ohio and a second hotel tower at the M Resort in Henderson, Nevada.

Jay Snowden, Chief Executive Officer and President of PENN Entertainment, commented: "We are delighted to announce these exciting new growth projects, which we expect will generate strong free cash flow returns and create long-term value for our shareholders. Our casino properties remain at the core of our omni-channel approach to entertainment, which combines best-in-class retail operations and a database of more than 26 million my**choice** members with a rapidly growing interactive and media footprint.

"Since the change in law to permit land-side casino relocation in Illinois, we have been exploring the viability of relocating our aging riverboats in Aurora and Joliet. Thanks to the support of our local community leaders, in particular the visionary leadership of Mayor Richard Irvin and his staff in Aurora, we are very excited to be moving forward with these projects," said Mr. Snowden.

"Our plan for Aurora is to construct a modern, best-in-class casino and hotel in an ideal location off I-88 that will allow us to serve the millions of visitors to the adjacent Simon Premium Outlet Mall," said Mr. Snowden. The Aurora development will include the transfer of certain parcels of land from the city, and up to \$50 million of the project will be funded by the city through a new bond issuance, all of which is subject to final approval by the Aurora City Council. "In Joliet, our planned casino will be located in the Rock Run Crossings development mixed use project in close proximity to the I-80 and I-55 interchange, which offers exceptional visibility and accessibility. These two projects will significantly improve our offerings in the highly attractive Chicagoland market while creating hundreds of new full-time jobs for the local communities," continued Mr. Snowden.

"We are also pleased to announce the expansion of our offerings at two of our best performing properties – Hollywood Casino Columbus in Ohio and the M Resort in Henderson, Nevada, subject to municipal approvals," said Mr. Snowden. "Since opening in 2012, our Columbus property has experienced tremendous growth, and the addition of a hotel at the property will create a true regional destination. At the M Resort, the addition of a second tower will benefit from the strong demand in the Henderson locals market while providing additional capacity for the group business that is drawn to our market-leading

resort and amenities, including our highly successful partnership with the Las Vegas Raiders,” said Mr. Snowden.

In connection with these projects, PENN has entered into an agreement with Gaming and Leisure Properties, Inc. (“GLPI”) (Nasdaq: GLPI) to create a new master lease that would include the two new facilities in Aurora and Joliet, in addition to Hollywood Columbus (OH), Hollywood Toledo (OH), the M Resort (NV), the Meadows (PA) and Hollywood Perryville (MD). Pursuant to this agreement, GLPI will provide up to \$225 million at a 7.75% cap rate for the Aurora project. With respect to the Columbus, Joliet and M Resort projects, PENN may elect to receive up to \$350 million of funding in the aggregate from GLPI for real property improvements at then-current market rates, which will incorporate a spread to GLPI’s cost of capital. Additional details on the new master lease, which will be effective on January 1, 2023, are included in the Company’s 8-K filing which is available at www.pennentertainment.com.

“The overall estimated budget for these new growth projects is approximately \$850 million,” said Mr. Snowden. “With the ability to access attractive financing from GLPI covering up to \$575 million of the anticipated costs, along with up to \$50 million from the City of Aurora, subject to final approvals, we have the opportunity to pursue these high growth projects while preserving our cash position and leverage profile,” concluded Mr. Snowden.

Aurora Development Project

PENN intends to develop a new land-based casino and hotel adjacent to the Chicago Premium Outlets mall, near Exit 119 off I-88 in Aurora, which would replace the current Hollywood Casino Aurora riverboat property. The development, with an estimated budget of \$360 million, is expected to include a modern, best-in-class casino and hotel with approximately 900 slots and 50 live table games (including a baccarat room and a poker room), a Barstool Sportsbook with the ability to host popular Barstool personalities and approximately 200 hotel rooms. In addition, the property will feature a full-service spa, high-quality bars and restaurants, approximately 10,000 square feet of meeting areas and an event center. Construction of the new property is expected to begin in late 2023, subject to city and regulatory approval.

Joliet Development Project

PENN intends to develop a new land-based casino as part of the Rock Run Crossings development project in Joliet, which is adjacent to the I-80 and I-55 interchange and several miles from the current Hollywood Casino Joliet riverboat property which it would replace. The project, with an estimated budget of \$185 million, is expected to include a modern, best-in-class casino with approximately 800 slots and 45 live table games (including a baccarat room), a Barstool Sportsbook, high quality bars and restaurants, approximately 10,000 square feet of meeting areas and an event center. Construction of the new property is expected to begin in late 2023, subject to regulatory approval.

Hollywood Columbus Hotel Development

PENN is planning to construct a new hotel at Hollywood Columbus. The project, with an estimated budget of approximately \$100 million, is expected to include 180 rooms and new food and beverage offerings. The hotel will be attached to the existing property and will add approximately 100 permanent new jobs, along with hundreds of temporary construction jobs. Construction of the new property is expected to begin in late 2023, subject to regulatory approval.

M Resort Hotel Tower Development

PENN is planning the addition of a second hotel tower at M Resort in Henderson, Nevada. This project, with an estimated budget of \$206 million, would add approximately 384 rooms to the Company's property south of the Las Vegas Strip bringing its total to 774 rooms and suites. Along with the rooms, there will be expanded meeting space, updated amenities and additional local partnerships that will be announced at a later date.

About PENN Entertainment

PENN Entertainment, Inc. (Nasdaq: PENN) is North America's leading provider of integrated entertainment, sports content and casino gaming experiences. PENN operates 43 properties in 20 states, online sports betting in 14 jurisdictions and iCasino in five under a portfolio of well-recognized brands including Hollywood Casino®, L'Auberge®, Barstool Sportsbook® and theScore Bet®. PENN's highly differentiated strategy, which is focused on organic cross-sell opportunities, is reinforced by its investments in market-leading retail casinos, sports media assets, owned technology, including a state-of-the-art, fully integrated digital sports and online casino betting platform, and an in-house iCasino content studio. The Company's portfolio is further bolstered by its industry-leading **mychoice** customer loyalty program, which offers its over 26 million members a unique set of rewards and experiences across business channels. PENN is deeply committed to fostering a culture that welcomes a diverse set of customers and dedicated team members. The Company has been consistently ranked in the top two as "Employer of First Choice" over the last nine years in the Bristol Associates-Spectrum Gaming's Executive Satisfaction Survey. In addition, as a long-standing good corporate citizen, PENN is also committed to being a trusted and valued member of its communities and a responsible steward of our finite natural resources.

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 using 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 development projects in Aurora and Joliet, Illinois, Columbus, Ohio and Henderson, Nevada and the transaction with Gaming and Leisure Properties, Inc.; the rapid growth of our interactive and media footprint; and the timing, cost and expected impact of planned capital expenditures on the Company's results of operations.

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: our ability to secure state and local permits and regulatory approvals necessary for the proposed projects; construction factors, including delays, unexpected remediation costs, and increased cost of labor and materials; 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; 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; the activities of our competitors and the emergence of new competitors; the timing, cost and expected impact of product and technology investments, including with respect to the growth of our interactive and media footprint; and additional risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, 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. Considering these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.

Felicia Hendrix
Chief Financial Officer
PENN Entertainment
610-373-2400

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