

CHURCHILL DOWNS

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Churchill Downs Incorporated Announces Historical Racing Machine Expansion in Downtown Louisville

September 30, 2021

CDI Pledges \$1 Million in Support of West End Opportunity Partnership

LOUISVILLE, Ky., Sept. 30, 2021 (GLOBE NEWSWIRE) -- Churchill Downs Incorporated ("CDI" or the "Company") (Nasdaq: CHDN) announced today plans to open a new historical racing machine ("HRM") entertainment venue, Derby City Gaming Downtown, in Louisville, Kentucky. The 43,000-square-foot entertainment venue will be located at 140 South 4th Street, at the corner of South 4th and West Market, diagonal to the Kentucky International Convention Center.

Derby City Gaming Downtown will initially include 500 HRMs, a fresh-air gaming area and over 200 onsite parking spaces. The new entertainment venue will provide guests — including locals, tourists and convention attendees — three unique bar concepts: a main-level sports bar with a stage for music and live entertainment, a premium bourbon library and an elegant wine and charcuterie lounge. A retail and merchandise store will be located on the street level where guests can shop for Kentucky Derby-themed merchandise. Construction on Derby City Gaming Downtown will begin later this year with an anticipated opening date in early 2023.

The investment in the new entertainment venue will create 450 jobs for the local economy, including 350 construction jobs and more than 100 new permanent jobs. The Company will collaborate with OneWest and other community organizations in an intentional effort to provide job opportunities at the entertainment venue to individuals residing in Louisville's most under-resourced neighborhoods as well as provide training and additional social support services that focus on retention, workforce development and professional advancement. CDI will increase its efforts to identify and contract with Women-and Minority-Owned Businesses for supply chain and contracting needs.

CDI also announced a pledge of \$1 million to the West End Opportunity Partnership (the "Partnership"), a collaborative community-led initiative that will finance projects to kick start economic development and quality of life improvements in a district comprised of nine West End neighborhoods: Shawnee, Portland, Russell, Chickasaw, Parkland, California, Park Hill, Park Duvalle and Algonquin. The new tax increment financing ("TIF") district was established by legislation championed and passed by State Senators Robert Stivers, Julie Raque Adams, Morgan McGarvey and Gerald Neal, and State Representatives Ken Fleming and Pamela Stevenson. The TIF guarantees that for the next 20 years, 80% of new tax revenue generated in those neighborhoods will be returned to the Partnership to reinvest in economic development projects and homeowner stabilization in the West End. The seed money and proceeds will be managed by a Partnership board comprised of neighborhood residents and appointees from community organizations.

"CDI is committed to investing in the city of Louisville and today we are particularly excited to announce this new downtown entertainment venue," said Bill Carstanjen, CEO of CDI. "Our HRM expansion will be a win for the entire community in the Louisville area and will create \$10 to \$12 million per year in additional purse money for Churchill Downs Racetrack. It is important that Louisville is a city that is thriving — a great place to live, work and visit and we are committed to helping create economic vibrancy for every area of our community. The West End Opportunity Partnership and our collaboration with OneWest can help us responsibly and sustainably achieve that vision."

"We applaud Churchill Downs for their continued investment in Louisville's hospitality infrastructure. Having a downtown touchpoint with one of our most iconic brand pillars is a boon to helping us successfully market our destination," said Cleo Battle, Louisville Tourism President & CEO. "The attraction will fulfill a need for much-requested evening options for convention delegates and give locals and visitors alike another authentic experience to enjoy in the heart of Bourbon & Derby City."

"Today, Churchill Downs becomes an important component of a downtown Louisville revitalization that has been gaining momentum the last several years. Downtown is our community's center, and as the economic engine of the region, our downtown also is our region's center," said Mayor Greg Fischer. "Derby City Gaming Downtown will bring even more life to Fourth Street with just shy of an acre's worth of space for more entertainment offerings, another stop for bourbon fans, a shopping outlet for Kentucky Derby merchandise and permanent jobs to downtown. Thank you, Churchill Downs, for your commitment, your investment and for your belief in our great city."

"OneWest is extremely excited about this collaboration and what it will mean for the minority contractors of Louisville," said Evon Smith, President & CEO of OneWest. "This initiative represents intentionality around inclusion and diversity and it is starting at the top. The leadership team at Churchill Downs Incorporated are leading through action!"

"I commend the leadership at Churchill Downs for taking this meaningful step in support of the West End Opportunity Partnership and for encouraging other local corporate citizens to follow suit," said State Senator Gerald Neal. "By taking action to address the inequities and disparities in our local communities, we are helping to make our Commonwealth a better place for all Kentuckians."

About Churchill Downs Incorporated

Churchill Downs Incorporated is an industry-leading racing, online wagering and gaming entertainment company anchored by our iconic flagship event, the Kentucky Derby. We own and operate three pari-mutuel gaming entertainment venues with approximately 3,050 historical racing machines in Kentucky. We also own and operate TwinSpires, one of the largest and most profitable online wagering platforms for horse racing, sports and iGaming in the U.S. and we have eight retail sportsbooks. We are also a leader in brick-and-mortar casino gaming in eight states with approximately 11,000 slot machines and video lottery terminals and 200 table games. Additional information about CDI can be found online at www.churchilldownsincorporated.com.

Certain statements made in this news release contain various "forward-looking statements" within the meaning of the "safe harbor" provisions of the

Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by the use of terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “predict,” “project,” “seek,” “should,” “will,” and similar words or similar expressions (or negative versions of such words or expressions).

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors, among others, that may affect actual results or outcomes include the following: the impact of the novel coronavirus (COVID-19) pandemic and related economic matters on our results of operations, financial conditions and prospects; the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit; additional or increased taxes and fees; public perceptions or lack of confidence in the integrity of our business or any deterioration in our reputation; loss of key or highly skilled personnel; restrictions in our debt facilities limiting our flexibility to operate our business; general risks related to real estate ownership, including fluctuations in market values and environmental regulations; catastrophic events and system failures disrupting our operations; online security risk, including cyber-security breaches; inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events; increases in insurance costs and inability to obtain similar insurance coverage in the future; inability to identify and complete acquisition, expansion or divestiture projects, on time, on budget or as planned; difficulty in integrating recent or future acquisitions into our operations; costs and uncertainties relating to the development of new venues and expansion of existing facilities; risks associated with equity investments, strategic alliances and other third-party agreements; inability to respond to rapid technological changes in a timely manner; inadvertent infringement of the intellectual property of others; inability to protect our own intellectual property rights; payment-related risks, such as risk associated with fraudulent credit card and debit card use; compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations; risks related to pending or future legal proceedings and other actions; inability to negotiate agreements with industry constituents, including horsemen and other racetracks; work stoppages and labor issues; changes in consumer preferences, attendance, wagering and sponsorship with respect to Churchill Downs Racetrack and the Kentucky Derby; personal injury litigation related to injuries occurring at our racetracks; weather and other conditions affecting our ability to conduct live racing; the occurrence of extraordinary events, such as terrorist attacks and public health threats; changes in the regulatory environment of our racing operations; increased competition in the horse racing business; difficulty in attracting a sufficient number of horses and trainers for full field horse races; our inability to utilize and provide totalizator services; changes in regulatory environment of our online horse wagering business; A reduction in the number of people wagering on live horse races; increase in competition in our online horse racing wagering business; uncertainty and changes in the legal landscape relating to our online horse racing wagering business; continued legalization of online sports betting and iGaming in the United States and our ability to predict and capitalize on any such legalization; inability to expand our sports betting operations and effectively compete; failure to manage risks associated with sports betting; failure to comply with laws requiring us to block access to certain individuals could result in penalties or impairment with respect to our mobile and online wagering products; increased competition in our casino business; changes in regulatory environment of our casino business; concentration and evolution of slot machine manufacturing and other technology conditions that could impose additional costs; and inability to collect gaming receivables from the customers to whom we extend credit.

We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/6466005f-8ba1-418c-a24e-86c306f3f112>