

CHURCHILL DOWNS

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Churchill Downs Incorporated Completes Acquisition of Chasers Poker Room in Salem, New Hampshire

September 6, 2022

Acquisition of New Hampshire's Leading Charitable Gaming Operation Paves Way for CDI to Expand its Historical Horse Racing Operations into a Fourth State

LOUISVILLE, Ky., Sept. 06, 2022 (GLOBE NEWSWIRE) -- Churchill Downs Incorporated ("CDI" or "the Company") (Nasdaq: CHDN) announced today that the Company has completed its previously-announced purchase of Chasers Poker Room in Salem, New Hampshire ("Chasers"). The purchase of Chasers follows the approval of the transaction by the New Hampshire Lottery Commission.

Chasers is located approximately 30 minutes from downtown Boston and is the leading New Hampshire charitable gaming operator, offering poker and a variety of table games. CDI plans to construct an expanded charitable gaming facility in Salem, with up to 800 gaming positions including historical racing machines ("HRMs") and table games. CDI expects the total investment in Salem, inclusive of the purchase price, to be approximately \$150 million.

"We are excited to build upon the success of Chasers with CDI's proven excellence in historical horse racing operations and a state-of-the-art new facility," said Bill Carstanjen, Chief Executive Officer of CDI. "It is a privilege to have the opportunity to meaningfully support nonprofits in New Hampshire as the leading gaming operator in charitable contributions."

New Hampshire will be the fourth state in which CDI will operate historical horse racing. CDI currently operates HRMs in Kentucky and in Louisiana. CDI will also operate HRMs in Virginia upon closing of the pending acquisition of Peninsula Pacific Entertainment.

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 four gaming entertainment venues with approximately 3,900 historical racing machines in Kentucky. We also own and operate TwinSpires, one of the largest and most profitable online wagering platforms for horse racing 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 11,800 slot machines and video lottery terminals and 250 table games. www.churchilldownsincorporated.com

This news release contains 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 materially affect actual results or outcomes include the following: the receipt of regulatory approvals on terms desired or anticipated, unanticipated difficulties or expenditures relating to the proposed transaction, including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the proposed transaction within the expected time period (if at all), our ability to obtain financing on the anticipated terms and schedule, disruptions of our or P2E's current plans, operations and relationships with customers and suppliers caused by the announcement and pendency of the proposed transaction, our and P2E's ability to consummate a sale-leaseback transaction with respect to the Hard Rock Sioux City on terms desired or anticipated, the impact of the novel coronavirus (COVID-19) pandemic, including the emergence of variant strains, and related economic matters on our results of operations, financial conditions and prospects; the occurrence of extraordinary events, such as terrorist attacks, public health threats, civil unrest, and inclement weather; the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit; additional or increased taxes and fees; the impact of significant competition, and the expectation the competition levels will increase; changes in consumer preferences, attendance, wagering, and sponsorships; loss of key or highly skilled personnel; lack of confidence in the integrity of our core businesses or any deterioration in our reputation; risks associated with equity investments, strategic alliances and other third-party agreements; inability to respond to rapid technological changes in a timely manner; concentration and evolution of slot machine and HRM manufacturing and other technology conditions that could impose additional costs; inability to negotiate agreements with industry constituents, including horsemen and other racetracks; inability to successfully focus on market access and retail operations for our TwinSpires Sports and Casino business and effectively compete; inability to identify and / or complete acquisitions, divestitures, development of new venues or the expansion of existing facilities on time, on budget, or as planned; general risks related to real estate ownership and significant expenditures, including fluctuations in market values and environmental regulations; reliance on our technology services and catastrophic events and system failures disrupting our operations; online security risk, including cyber-security breaches, or loss or misuse of our stored information as a result of a breach, including customers' personal information, could lead to government enforcement actions or other litigation; personal injury litigation related to injuries occurring at our racetracks; compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations; payment-related risks, such as risk associated with fraudulent credit card and debit card use; work stoppages and labor issues; risks related to pending or future legal proceedings and other actions; highly regulated operations and changes in the regulatory environment could adversely affect our business; restrictions in our debt facilities limiting our flexibility to operate our business; failure to comply with the financial ratios and other covenants in our debt facilities and other indebtedness; and increase in our insurance costs, or obtain similar insurance coverage in the future, and inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events.

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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