



GAMING & LEISURE
PROPERTIES, INC

GLPI Expands Relationship with Bally's Through Strategic Transactions

April 13, 2021

WYOMISSING, Pa., April 13, 2021 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) ("GLPI" or "the Company") announced today that it entered into a binding term sheet with Bally's Corporation (NYSE: BALY) ("Bally's") to acquire the real estate assets of Bally's casino property in Black Hawk, CO and the property it plans to acquire in Rock Island, IL, in a transaction which is subject to regulatory approval and expected to close later this year. Total consideration for the acquisition is \$150 million. The parties expect to add the properties to the master lease they are entering into in connection with Bally's previously announced acquisitions of Tropicana Evansville and Dover Downs Hotel & Casino ("GLPI-BALY master lease") which will generate incremental rent of \$12.0 million. Normalized rent coverage on the assets is expected to be 2.25x in the first calendar year post-acquisition. The acquisitions of the real estate assets of Bally's properties in Rock Island and Black Hawk are expected to close in early 2022.

In addition, Bally's has granted GLPI a right of first refusal to fund the real property acquisition or development project costs associated with any and all potential future transactions in Michigan, Maryland, New York and Virginia through one or more sale-leaseback or similar transactions for a term of seven years.

Bally's also plans to acquire both GLPI's non-land real estate assets and Penn National Gaming, Inc.'s (NASDAQ: PENN) ("Penn National") outstanding equity interests in Tropicana Las Vegas Hotel and Casino, Inc. for an aggregate cash acquisition price of \$150 million. GLPI will retain ownership of the land and will concurrently enter into a 50-year ground lease with initial annual rent of \$10.5 million. The ground lease will be supported by a Bally's corporate guarantee and cross-defaulted with the GLPI-BALY master lease. This transaction is expected to close in early 2022.

Both GLPI and Bally's have committed to a structure in which GLPI has the potential to acquire additional assets in sale-leaseback transactions to the extent Bally's elects to utilize GLPI's capital as a funding source for their proposed acquisition of Gamesys Group plc. The \$500 million commitment provides Bally's an alternative financing commitment which at GLPI's sole discretion may be funded in the form of equity, additional prepaid sale-leaseback transactions or secured loans.

Peter Carlino, Chairman and CEO of GLPI, commented, "We are delighted to expand our relationship with Bally's through a complex transaction that is a win-win for both companies. With strong rent coverage and an accretive cap rate, the transaction again expands and diversifies our master lease through the addition of Bally's properties in Rock Island, IL and Black Hawk, CO. We are also excited to have secured rights of first refusal on potential future assets. Furthermore, our conversion of the Tropicana into an income producing ground lease solidifies the value creation that we hoped for in originally structuring the transaction with Penn National."

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 ability to receive the necessary approvals and satisfy conditions precedent necessary to close the announced 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: the effect of pandemics, such as the novel coronavirus (COVID-19), on GLPI as a result of the impact of such pandemics 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 transactions; 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, 2020, 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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