

# CHURCHILL DOWNS

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## Churchill Downs Incorporated Announces Entry into Real Money Online Gaming and Sports Betting Markets

May 16, 2018

### CDI announces a strategic partnership with SBTech to utilize their integrated technology platform

LOUISVILLE, Ky., May 16, 2018 (GLOBE NEWSWIRE) -- Churchill Downs Incorporated ("CDI") (Nasdaq:CHDN) today announced its entry into real money online gaming ("iGaming") and sports betting markets. It also announced a strategic partnership agreement with SBTech to utilize their integrated technology platform for CDI's iGaming and sports betting operations. SBTech will provide CDI with an iGaming platform, consisting of the consumer website, mobile apps, and back office systems to manage iGaming and sports wagering, where permitted, pursuant to which CDI may offer branded products separate from TwinSpires.com to its iGaming and sports betting customers.

The strategic partnership with SBTech initially is intended to enable CDI to enter New Jersey and Pennsylvania, which have already approved iGaming and sports betting. In addition, the strategic partnership will enable CDI to enter Mississippi for sports wagering. CDI and SBTech's entry into these states is subject to gaming license approvals and finalization of iGaming and sports betting regulations.

- In New Jersey, CDI has announced an agreement with Golden Nugget to enter the New Jersey iGaming and sports betting markets.
- In Pennsylvania, CDI previously announced the acquisition of Presque Isle Downs & Casino ("Presque Isle") in Erie, Pennsylvania from Eldorado Resorts, Inc. ("Eldorado"). The definitive purchase agreement between CDI and Eldorado for the acquisition of Presque Isle requires Eldorado to apply for certain iGaming licenses, subject to reimbursement by CDI at closing, if the exclusive time periods to acquire Pennsylvania iGaming licenses are expected to expire prior to the closing of the Presque Isle acquisition.
- In Mississippi, CDI has two existing brick-and-mortar casinos that will be utilized to offer on-property sports betting products.

"We are confident that our strategic partnership with SBTech provides us with an industry leading platform to offer innovative and exciting, integrated iGaming and sports betting products," said Bill Carstanjen, CEO of Churchill Downs. "We have the unique opportunity to leverage our knowledge and experience operating the largest legal online horse racing wagering business in the U.S. as we enter the iGaming and sports betting markets."

"We are thrilled to be partnering with Churchill Downs and to introduce our award-winning iGaming and sports betting platforms in the U.S.," said Richard Carter, Chief Executive Officer of SBTech. "We both share a deep commitment to technological innovation and excellence, and we look forward to working with them during this exciting time in the history of the U.S. gaming market."

### About SBTech

SBTech is a global leader in omni-channel sports betting and gaming, with over 1,000 employees in 11 locations worldwide. Since 2007, SBTech has developed the industry's most powerful online sports betting and casino platform, serving more than 50 licensees in over 14 regulated markets. SBTech's clients include many of the world's premier betting and gaming operators, state lotteries, land-based casino and horse racing companies, and iGaming start-ups.

### About Churchill Downs Incorporated

Churchill Downs Incorporated (CDI) (Nasdaq:CHDN), headquartered in Louisville, Kentucky, is an industry-leading racing, gaming and online entertainment company anchored by our iconic flagship event - *The Kentucky Derby*. We are the largest legal online account wagering platform for horseracing in the U.S., through our ownership of TwinSpires.com and have announced our plans to enter the U.S. real money online gaming and sports betting markets. We are also a leader in brick-and-mortar casino gaming with approximately 10,000 gaming positions in eight states. Additional information about CDI can be found online at [www.churchilldownsincorporated.com](http://www.churchilldownsincorporated.com).

*Information set forth in this press release contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Private Securities Litigation Reform Act of 1995 (the "Act") provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made in this press release are made pursuant to the Act.*

*The reader is cautioned that such forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. 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, although some forward-looking statements are expressed differently.*

*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 that could cause actual results to differ materially from expectations include the following: the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit; additional or increased taxes and fees; the effect of changes in tax laws on CDI or an investment in our shares, including as a result of changes made pursuant to recently enacted U.S. tax legislation; public perceptions or lack of confidence in the integrity of our business; 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, including the impact of natural and other disasters on our operations and our ability to obtain insurance recoveries in respect of such losses; 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; legalization of online real money gaming in the United States, and our ability to capitalize on and predict such legalization; the number of people attending and wagering on live horse races; 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; security breaches and other security risks related to our technology, personal information, source code and other proprietary information, including failure to comply with regulations and other legal obligations relating to receiving, processing, storing and using personal information; payment-related risks, such as chargebacks for fraudulent credit card use; compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations; work stoppages and labor issues; difficulty in attracting a sufficient number of horses and trainers for full field horseraces; inability to negotiate agreements with industry constituents, including horsemen and other racetracks; personal injury litigation related to injuries occurring at our racetracks; the inability of our totalisator company, United Tote, to maintain its processes accurately, keep its technology current or maintain its significant customers; weather conditions affecting our ability to conduct live racing; increased competition in the horseracing business; changes in the regulatory environment of our racing operations; declining popularity in horseracing; seasonal fluctuations in our horseracing business due to geographic concentration of our operations; increased competition in our casino business; changes in regulatory environment of our casino business; development and expansion of casinos is costly and susceptible to delays, cost overruns and other uncertainties; concentration and evolution of slot machine manufacturing and other technology conditions that could impose additional costs; impact of further legislation prohibiting tobacco smoking; geographic concentration of our casino business; changes in regulatory environment for our advanced deposit wagering business; increase in competition in the advanced deposit wagering business; inability to retain current customers or attract new customers to our advanced deposit wagering business; uncertainty and changes in the legal landscape relating to our advanced deposit wagering business; and failure to comply with laws requiring us to block access to certain individuals could result in penalties or impairment in our ability to offer advanced deposit wagering.*

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