Churchill Downs Incorporated Announces Multi-Year Projects to Transform the Legendary Churchill Downs Racetrack

July 28, 2021

Homestretch Club to Debut at the 148th Kentucky Derby in 2022, a new Turn 1 Experience for the 149th Kentucky Derby in 2023 and a Redesigned Paddock Area for the 150th Kentucky Derby in 2024

LOUISVILLE, K.Y., July 28, 2021 (GLOBE NEWSWIRE) -- Churchill Downs Incorporated ("CDI" or the "Company") (Nasdaq: CHDN) announced three major multi-year capital investments to transform key areas of Churchill Downs Racetrack ("Churchill Downs"). These projects will ultimately provide new, unique and extraordinary guest experiences for the Kentucky Derby in the coming years. These investments round out the previously-announced Turf Course replacement project which is currently underway and is on schedule to be ready for racing at the 148th Kentucky Derby in May 2022.

Homestretch Club

The Homestretch Club will renovate and update the grandstand area adjacent to the Twin Spires along the famed track's homestretch. The project will convert what is currently outdoor bleacher seating next to the Winner's Circle Suites and below the Jockey Club Suites into three unique seating options with all-inclusive amenities. This location offers an ideal view of the starting gate, a superior vantage of the track's Big Board and a bird's eye view of the homestretch as the horses thunder to the finish line. Ticketed guests in the Homestretch Club will have access to 18,600 sq. ft. of new interior premium hospitality space in the first-floor concourse area that will be transformed into a newly reimagined, high-end air-conditioned club atmosphere to place a bet, enjoy the all-inclusive food and beverage offerings and other amenities. This premium hospitality space will be accented by a grand staircase and a 100 ft. feature bar making it an elegant and desirable option for special events at historic Churchill Downs.

The new all-inclusive ticket offerings for the Homestretch Club will include:

- 30 Trackside Lounges along the rail for up to 200 guests offering a "courtside seat" experience
- 66 Terraced Dining Tables for up to 440 guests, creating covered outdoor dining
- 2,610 Stadium Club seats, providing a cushioned, comfortable and upgraded experience
- 5 private VIP Hospitality Lounges for up to 60 guests

In total, the project will provide for 3,250 all-inclusive seats, which is 1,950 fewer reserved seats than were previously in this area. The $45 million Homestretch Club is scheduled for completion in time for the 148th Kentucky Derby in 2022.

Turn 1 Experience

The Turn 1 Experience will introduce permanent all-inclusive stadium seats at Churchill Downs in a unique location with exclusive views of the Kentucky Derby walkover and the picturesque first turn framed by the Twin Spires. This project will upgrade and expand what is currently 3,400 temporary Oaks and Derby seats to 5,100 all-inclusive permanent stadium seats with significantly improved amenities to enhance the overall guest experience. The permanent construction will also add a climate-controlled hospitality venue below the new stadium seats that will serve as premium seating for up to 2,000 guests who will have access to an adjacent trackside reserved viewing terrace allowing them to view signature moments along the rail.

The Turn 1 Experience will include:

- 5,100 Covered Stadium Seats
- 50,000 sq ft. climate-controlled Hospitality Venue that includes reserved dining room tables for up to 2,000 guests with an adjacent trackside Viewing Terrace
- 2 Concourses to allow for better guest circulation and additional customer amenities for stadium seat-ticketed guests, creating a convenient place for socializing with outdoor racetrack view

In total, the project will provide for 7,100 all-inclusive seats, which is 3,700 more reserved seats than were previously in this area. The $90 million Turn 1 Experience is scheduled for completion in time for the 149th Kentucky Derby in 2023.

The combination of these two capital investments will result in a net addition of 1,750 premium reserved seats.

Paddock Area Redesign

The Paddock Area Redesign is in the early design stage and will transform the existing Paddock area in a manner that will enhance the experience for nearly every guest who enters the gates of the historic racetrack. In addition to introducing new and innovative seating and experiences, the redesign will reduce congestion by significantly improving the flow of guests through the Paddock and Plaza areas. This project is tentatively scheduled to debut for the 150th Kentucky Derby in May 2024. More details will be shared in the coming months.

Turf Course

These Churchill Downs capital projects come on the heels of CDI's $10 million investment to install a new turf course, currently in construction, that will widen the running surface and increase durability and safety in response to a growing demand for turf racing throughout the year. The Tahoma 31

Bermudagrass turf course, selected with worldwide sports turf experts, will include a redesigned subsurface and state-of-the-art irrigation and drainage system. The update will provide multiple rail movement options and as many as 14 participants per race. The new turf course is scheduled to be ready for racing at the 148th Kentucky Derby in May 2022.

"These capital investments are a direct response to our customer's demand for a unique and extraordinary atmosphere," said Bill Carstanjen, CEO of CDI. "The upgrades we plan to introduce are designed to ensure that Churchill Downs remains the premier racing destination for generations to come with unparalleled service, entertainment and racing experiences for our guests – which is truly the hallmark of the Kentucky Derby. With each project we have given great focus to elevating the product while maintaining and honoring the rich history and tradition of Churchill Downs Racetrack"

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 seven 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. www.ChurchillDownsIncorporated.com

About Churchill Downs Racetrack

Churchill Downs Racetrack ("Churchill Downs"), the world's most legendary racetrack, has been the home of The Kentucky Derby, the longest continually held annual sporting event in the United States, since 1875. Located in Louisville, Churchill Downs features a series of themed race days during Derby Week, including the Kentucky Oaks, and conducts Thoroughbred horse racing during three race meets in the Spring, September, and the Fall. Churchill Downs is located on 175 acres and has a one-mile dirt track, a 7/8-mile turf track, a stabling area, and provides seating for approximately 60,000 guests. The saddling paddock and the stable area has barns sufficient to accommodate 1,400 horses and a 114-room dormitory for backstretch personnel. Churchill Downs also has a year-round simulcast wagering facility. www.ChurchillDowns.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 materially affect actual results or outcomes include the following: 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 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 expand our TwinSpires Sports and Casino business and effectively compete; inability to identify and complete expansion, acquisition 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; 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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