Churchill Downs Incorporated Enters Definitive Agreement to Acquire Ellis Park in Henderson, Kentucky

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Acquisition of Historic Thoroughbred Racetrack Affords CDI the Opportunity to Construct Gaming and Entertainment Venue in Owensboro, Kentucky

LOUISVILLE, Ky., Sept. 15, 2022 (GLOBE NEWSWIRE) -- Churchill Downs Incorporated ("CDI") (Nasdaq: CHDN) announced today that it has signed a definitive agreement to acquire Ellis Park Racing & Gaming ("Ellis Park") in Henderson, Kentucky, from Enchantment Holdings, LLC, an affiliate of Laguna Development Corporation, for total consideration of $79 million in cash, subject to certain working capital and other purchase price adjustments. CDI will also assume Ellis Park's opportunity to construct a track extension facility in Owensboro, Kentucky.

"This is an exciting announcement for the horse racing industry, the cities of Henderson and Owensboro, and the entire Commonwealth of Kentucky," said Kentucky Governor Andy Beshear. "Churchill Downs has proven it has the experience, resources, and desire to reinvigorate Ellis Park into a premier racing destination and provide unmatched gaming entertainment."

Ellis Park, located north of the Ohio River and just south of Evansville, Indiana, celebrated 100 years of racing this year. In addition to being recognized as the historic home of summer Thoroughbred racing in Kentucky, Ellis Park also features a gaming facility venue with approximately 300 historical racing machines ("HRMs").

"We are very enthused to welcome Ellis Park to the Churchill Downs racing family," said Bill Carstanjen, Chief Executive Officer of CDI. "Our team is committed to building a summer meet at the 'Pea Patch' that keeps more Kentucky-bred horses and Kentucky-based trainers' in their home state while attracting top horse racing talent from across the country to the Bluegrass State each July and August."

"This investment will ensure our Kentucky horsemen and women have the best year-round racing circuit in the country and create jobs throughout the region and state. Churchill Downs is a great corporate citizen and an important part of Team Kentucky," continued Beshear.

The closing of the transaction is contingent upon approval by the Kentucky Horse Racing Commission ("KHRC"). If change of control is approved, the parties expect to close the transaction shortly thereafter.

CDI has commenced planning to make both critical investments in the Ellis Park racing infrastructure and to construct Owensboro Racing & Gaming, a track extension and entertainment venue at Owensboro's Towne Square Mall that will feature 600 HRMs, a simulcast wagering center, and multiple food and beverage offerings. Over the next year, CDI expects its total investment in Henderson and Daviess Counties to be approximately $75 million in addition to the purchase price.

"The opportunity to bring Churchill Downs to Owensboro is particularly significant to us," said Jason Sauer, Senior Vice President of Corporate Development for CDI, "We are eager to start the work to elevate Ellis Park's reputation as a summer destination for Thoroughbred racing while delivering a premier gaming and entertainment experience to Daviess County. We look forward to sharing more exciting details about our plans in the coming days."

CDI will acquire all of the outstanding equity of Ellis Entertainment, LLC, the parent company of Ellis Park. For tax purposes, the transaction will be treated as an asset purchase, allowing CDI incremental tax benefits that will provide additional cash flow and will enhance the overall economics of the transaction.

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 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, 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, including the impact of inflation; 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, or fully realize the benefits of 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; 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; and risks in connection with Internal Revenue Code Section 1031 exchanges.

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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