

# PENN Entertainment: The Facts

## HG Vora's 116-Page Presentation Was Full of False Claims and Mischaracterizations

**FALSE CLAIM:** PENN has sought to weaponize the Company's regulators

### FACTS:

- Gaming licenses are privileges and gaming regulators exercise their authority according to applicable statutes and regulations – **not based on PENN's suggestions**
- Despite touting its “deep experience investing in the casino and online gaming sectors,” HG Vora appears unfamiliar with the well-established gaming regulatory framework
- **HG Vora has demonstrated consistent disregard for regulators**, violated institutional investor waivers and pushed for governance changes despite express prohibitions from state gaming regulators
- In fact, they have a history of violating regulatory guardrails and were fined \$950,000 by the SEC in March 2024

**FALSE CLAIM:** Mr. Snowden has been paid more than all but one of his peers...PENN's directors – especially Mr. Snowden – have been selling shares

### FACTS:

- Mr. Snowden's **realizable pay** represents only 45% of his reported compensation and is in the **bottom quartile** relative to PENN's proxy peer group
- Mr. Snowden has only exercised expiring options and has **not sold any stock** since 2021<sup>1</sup>
- Since 2020, PENN executives and directors have purchased over \$5.7 million worth of stock in the open market using their personal funds, including **\$2.8 million purchased by Mr. Snowden** during his tenure at PENN of which \$1.5 million was in the last 9 months<sup>2</sup>

**FALSE CLAIM:** PENN's private jet use is excessive and unnecessary...Mr. Snowden and Ms. Hendrix appear to be using PENN's Corporate aircraft as their personal Uber service

### FACTS:

- Since 2020, **only 1.5% of total flight hours** on PENN's planes were used for personal executive travel
- HG Vora mistakenly includes hours when our aircraft were leased by third parties

**Despite HG Vora's efforts to create a public proxy contest, the Company is recommending HG Vora's nominees for the two open seats at the Annual Meeting**

# PENN Entertainment: The Facts

## PENN Operates in a Strict Regulatory Regime

**HG Vora is not fully licensed and has repeatedly ignored or violated regulatory directives and exposed us to regulatory scrutiny and reputational risk**

- Gaming licenses are privileges, and all license holders are subject to continuous review and oversight by state regulators
- PENN has a strong track record of regulatory compliance and transparent communication with regulators
- Regulators closely monitor all business operations including approval rights in many states for debt issuances and capital decisions
- Despite HG Vora's uninformed suggestions, **gaming regulators exercise their authority according to applicable statutes and regulations – not based on PENN's suggestions**
- Failure to comply with statutes, regulations and directives would result in significant harm to PENN, including potential revocation of licenses
- **HG Vora has demonstrated consistent disregard for regulators**
  - ▶ Violated several institutional investor waivers in which they agreed to remain passive in their activities
  - ▶ Pushed for governance changes despite express prohibitions on doing so by state gaming regulators
  - ▶ Fined \$950K by the SEC in 2024 for violating 13D disclosure rules
- **HG Vora's actions and proposals put PENN's shareholders at significant risk**

**PENN's licenses and regulatory standing are its most vital assets**

## PENN has the Right Board and Team to Succeed

**HG Vora criticizes Board composition and lack of experience in online sports betting and iCasino**

- Seven out of eight directors have strategic planning / M&A experience and technology / digital experience
- PENN's interactive segment is led by Aaron LaBerge, who brings a unique perspective as the former CTO of Disney and ESPN, and he has recruited a team of **best-in-class technologists**
- Over 70 senior leaders of our interactive team have five years experience or more in the iCasino/OSB space
- The interactive team includes deep experience in sports media, online sports betting and iCasino, with prior experience at Disney/ESPN, FanDuel, Flutter, Entain, Betsson, William Hill and more

# PENN Entertainment: The Facts

## HG Vora's Characterization of PENN's Compensation Program is Grossly Misleading

### Compensation Program is Designed to Drive Long-Term Alignment With Shareholders

2024 CEO Target Compensation



**Incentives that deliver value only if we achieve rigorous performance goals**

(\$ in Millions)

**CEO Annualized Total Realizable<sup>1</sup> Pay (5-Year)**

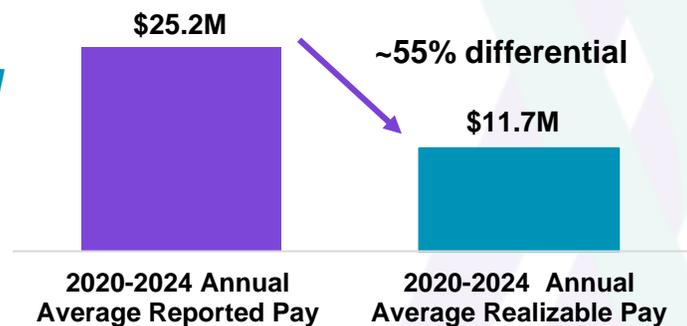
*PENN CEO in bottom quartile relative to proxy peer group*



### Incentive Plan Payouts Reflect Accountability and Alignment

- 2021 CEO Supplemental Performance Award (which was requested at the time by some of PENN's largest shareholders) is expected to be **forfeited at the end of 2025 without any realized value**
- All stock options granted since 2021 **currently have zero value**
- Since Mr. Snowden's appointment as CEO, his **realizable compensation represents only ~45% of his reported compensation**

**Reported vs. Realizable<sup>1</sup> CEO Annualized Compensation**



### PENN's Compensation Program Design is Informed by Shareholder Input

#### Strong Record of Shareholder Engagement...

**2024 Off-season Shareholder Engagement**

Contacted 16 shareholders representing

**53% O/S**

Engaged with 8 shareholders representing

**44% O/S**

Meetings led by independent directors

**100%**

#### ...And Responsiveness to Feedback

- Redesigned the 2024 long-term incentive program
  - ▶ Cumulative 3-year targets replaced 1-year performance cycles
  - ▶ Financial metrics account for 70% of the LTIP, further increased to 80% starting for 2025 PSUs
  - ▶ New program design applied to 2024 PSUs and unvested PSUs from prior grant cycles (2022 and 2023 unvested PSUs), which inflated CEO total reported compensation by \$2.6M

1. Realizable pay is the aggregation of A) cash compensation amounts conveyed to or earned by an executive over the measurement period, and B) the value of all equity granted during the period and measured at the ending stock price (as of May 21, 2025); further assuming that vested equity is subsequently held so as to ensure consistency in comparison across companies.

# PENN Entertainment: The Facts

## PENN Management Is Incentivized to Drive Long-Term Shareholder Value

**HG Vora deceptively mischaracterizes management's alignment with shareholders**

- Since 2020, executives and directors have **purchased over \$5.7 million of stock** in the open market using their personal funds, including **\$2.8 million purchased by Mr. Snowden** during his tenure at PENN, of which \$1.5 million was in the last 9 months<sup>1</sup>
- Demonstrating confidence in the company's long-term performance and alignment with shareholders, Mr. Snowden has only sold expiring options and **has not sold any stock** since 2021<sup>2</sup>
- Since 2020, **only 1.5% of total flight hours** on PENN's planes were used for personal executive travel, and HG Vora mistakenly includes hours that were flown while our aircraft were leased by third parties

**Management incentives align with long-term shareholder interests**

## PENN's Digital Strategy Expected to Drive Significant Shareholder Value

**HG Vora wants PENN to scrap its digital gaming strategy in favor of a lower growth, lower multiple strategy**

- As the gaming industry undergoes a fundamental shift, a cohesive digital strategy is no longer optional — it is essential to driving sustained customer acquisition, accelerating growth and maximizing value across both digital and land-based businesses
- iCasino legislative momentum is building, and OSB and iCasino GGR are projected to grow at a ~17% CAGR from 2024 to 2030<sup>3</sup>
- Online sports betting is a key driver of customer acquisition and cross-sell into iCasino and has helped grow PENN's loyalty program by ~4mm and lowered the average age of customers from 53 to 44
- PENN's omni-channel strategy has already resulted in increased retail traffic and **market share gains** in 14 of 17 regional markets<sup>4</sup>

**PENN has optionality with ESPN BET, including levers it could pull to optimize performance into 2026 and realize value**

## Board-Driven Capital Strategy Balances Growth with Discipline

**HG Vora criticizes digital investments and demands a misguided risky levered share repurchase**

- PENN's acquisitions in the digital space set the foundation for growth and significant value creation
  - ▶ Barstool Sports provided a strong cohort of retained users
  - ▶ theScore provided PENN with control over its own technology stack and a team of top engineers, as well as a strong brand for success in Ontario and Alberta
- We maintain a flexible balance sheet with significant liquidity and are de-leveraging while prudently returning capital to shareholders
- The Company is currently pursuing five high ROI retail growth projects
- We are committed to returning at least \$350 million to shareholders in 2025

1. Includes stock purchased by executives during tenure as section 16 filers. In addition, executives and directors frequently used cash to cover taxes on stock awards to maintain a larger stock position

2. Other than to cover the strike price and taxes

3. Source: H2 Gambling Capital; assumes land-based revenue includes U.S. land-based casino revenue as tracked by H2 Gambling Capital

4. Q4'24 y/y growth in markets not impacted by new supply

# PENN Entertainment: The Facts

## HG Vora's Purported Proxy Fight and Public Demands Have No Basis

HG Vora's Public Demands	The Reality
<ul style="list-style-type: none"> <li>Align compensation with performance</li> </ul>	<ul style="list-style-type: none"> <li>HG Vora disregards compensation actually paid as disclosed in PENN's proxy statement</li> <li>93% of CEO compensation is performance-based and incentives align with rigorous performance metrics</li> </ul>
<ul style="list-style-type: none"> <li>Create a Board committee to evaluate capital allocation and investment decisions</li> </ul>	<ul style="list-style-type: none"> <li>Despite express prohibitions from regulators, HG Vora demanded the creation of a committee of the Board as part of a settlement</li> </ul>
<ul style="list-style-type: none"> <li>Conduct a review of PENN's digital strategy</li> </ul>	<ul style="list-style-type: none"> <li>PENN has publicly discussed its optionality around ESPN BET, including the levers it could pull to optimize performance and realize value</li> </ul>
<ul style="list-style-type: none"> <li>Add HG Vora's nominees to PENN's Board</li> </ul>	<ul style="list-style-type: none"> <li>PENN has nominated two of HG Vora's candidates to the Board, while two current board members will not stand for reelection</li> <li>Following the additions of Messrs. Hartnett and Ruisanchez to PENN's Board, 75% of PENN directors will have been appointed since 2019</li> </ul>

## HG Vora Deliberately Omitted Their Value Destructive Requests

HG Vora's Private Demands	PENN's Rationale
<ul style="list-style-type: none"> <li>✗ Proposed a ~50% leveraged buyback</li> </ul>	<ul style="list-style-type: none"> <li>✗ HG Vora's proposed buyback would have pushed lease-adjusted leverage ratios to unsustainable levels and jeopardized credit ratings</li> </ul>
<ul style="list-style-type: none"> <li>✗ Urged PENN to cancel or pause retail growth projects to fund share repurchases</li> </ul>	<ul style="list-style-type: none"> <li>✗ Retail investments drive growth, support the omni-channel strategy and bolster investment in communities and people</li> </ul>
<ul style="list-style-type: none"> <li>✗ Abandon digital strategy</li> </ul>	<ul style="list-style-type: none"> <li>✗ Interactive segment is nearing profitability and is poised to drive significant value creation</li> </ul>
<ul style="list-style-type: none"> <li>✗ Pursue other governance changes</li> </ul>	<ul style="list-style-type: none"> <li>✗ HG Vora is not fully licensed, and their behavior has gotten more aggressive regarding governance despite regulatory guidance</li> </ul>

## PENN Remains Committed to Finding a Constructive Resolution in the Best Interests of All Shareholders



**PENN**  
ENTERTAINMENT

## Additional Materials

# Highly-Qualified Board of Directors

## Vimla Black-Gupta

CEO & Co-Founder,  
Oursell



Over 25 years of executive leadership experience with a strong track record of leading product, consumer and digital strategies for global brands; experience overseeing regulatory compliance, strategic planning, talent management and sustainability initiatives

## Anuj Dhanda

EVP & Chief Technology &  
Transformation Officer, Albertsons



Technology leader in the consumer sector, with over 25 years of experience in leading business and technology operations; expertise in the rapidly evolving technology, AI and cybersecurity landscape as a CIO and CTO

## David Handler

Co-Founder & Partner,  
Tidal Partners



Over 30 years of investment banking experience; extensive strategic planning and M&A expertise through guiding major technology industry players on large-scale, industry-defining transactions

## Johnny Hartnett

Former CEO,  
Superbet Group



Over 20 years of experience in entertainment industry leadership roles; robust experience in implementing innovative and digitally-focused growth initiatives; extensive experience in scaling and guiding online sports betting, entertainment and gaming businesses

## Jane Scaccetti

Of Counsel,  
Armano



Over four decades of risk management expertise as a practicing CPA; experience in guiding strategic planning initiatives to drive value creation and transformative growth

## Jay Snowden

CEO & President,  
PENN Entertainment



Over 25 years of experience in the gaming, sports betting, hospitality and entertainment sectors; deep digital transformation expertise – led PENN's expansion into sports media, entertainment and technology

## Marla Kaplowitz

President & CEO, American Association of  
Advertising Agencies



Innovator and a proven leader in marketing and digital transformation; successfully counseling companies through risks & opportunities associated with digital consumer experiences and omnichannel growth strategies

## Carlos Ruisanchez

Founding Partner, Sorelle Capital and  
Sorelle Hospitality



Experienced finance executive with a strong track record of capital allocation and growth initiatives; deep expertise in casino industry; at Pinnacle, instrumental in implementing transformative initiatives, including M&A

# PENN Directors Have the Depth and Breadth to Drive Long-Term Value



Skills	Skill Description	PENN Director Nominees with Skill
<b>C-Suite Executive</b>	Significant business or enterprise leadership experience with a strong understanding of organizational and strategic or enterprise planning	6 / 8
<b>Corporate Governance</b>	Board experience provides insight into new and best practices	7 / 8
<b>Cybersecurity</b>	Understanding of information technology systems and information security whether through academia, industry or board oversight experience	5 / 8
<b>Financial (Includes Capital Markets, Accounting &amp; Tax)</b>	Experience resulting in proficiency in capital markets, complex financial management, capital allocation and financial reporting processes	7 / 8
<b>HR / Talent Management</b>	Experience with oversight of executive compensation, succession planning, employee engagement, human rights and community engagement	7 / 8
<b>Industry Experience (Gaming, Hospitality or Media)</b>	Experience as executives, directors or in other leadership positions in areas relevant to PENN's business	6 / 8
<b>Regulatory / Public Policy</b>	Experience in a highly regulated industry, such as gaming, financial services, healthcare, pharmaceuticals, etc.	7 / 8
<b>Risk Management</b>	Experience assessing and mitigating significant competitive, regulatory and technological risks across an enterprise	7 / 8
<b>Sales &amp; Marketing</b>	Experience developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation	4 / 8
<b>Strategic Planning / M&amp;A</b>	Experience developing and executing long-term strategic plans to encourage innovation and growth with the ability to assess "build or buy" decisions, analyze the fit of a target with a company's strategy and culture, accurately value transactions, evaluate operational integration plans, and effectively oversee the mitigation of risks related to transformational business experiences	7 / 8
<b>Technology / Digital</b>	Experience working in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and further develop PENN's omnichannel strategy	7 / 8

Source: PENN 2025 proxy statement. Includes selected skills.

# Appendix

## Forward Looking Statements

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking terminology such as “expects,” “believes,” “estimates,” “projects,” “intends,” “plans,” “goal,” “seeks,” “may,” “will,” “should,” or “anticipates” or the negative or other variations of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Specifically, forward-looking statements include, but are not limited to, statements regarding: the Company’s expectations of future results of operations and financial condition, including, but not limited to, projections of revenue, Adjusted EBITDA, Adjusted EBITDAR and other financial measures; the assumptions provided regarding the guidance, including the scale and timing of the Company’s product and technology investments; the Company’s expectations regarding results and customer growth and the impact of competition in retail/mobile/online sportsbooks, iCasino, social gaming, and retail operations; the Company’s development and launch of its Interactive segment’s products in new jurisdictions and enhancements to existing Interactive segment products, including the content for the ESPN BET and theScore BET and the further development of ESPN BET and theScore BET on our proprietary player account management system and risk and trading platforms; the benefits of the Sportsbook Agreement between the Company and ESPN; the Company’s expectations regarding its Sportsbook Agreement with ESPN and the future success of ESPN BET; the Company’s expectations with respect to share repurchases; the Company’s expectations with respect to the integration and synergies related to the Company’s integration of theScore and the continued growth and monetization of the Company’s media business; the Company’s expectations that its portfolio of assets provides a benefit of geographically-diversified cash flows from operations; management’s plans and strategies for future operations, including statements relating to the Company’s plan to expand gaming operations through the implementation and execution of a disciplined capital expenditure program at our existing properties, the pursuit of strategic acquisitions and investments, and the development of new gaming properties, including the development projects and the anticipated benefits; improvements, expansions, or relocations of our existing properties; entrance into new jurisdictions; expansion of gaming in existing jurisdictions; strategic investments and acquisitions; cross-sell opportunities between our retail gaming, online sports betting, and iCasino businesses; our ability to obtain financing for our development projects on attractive terms; the timing, cost and expected impact of planned capital expenditures on the Company’s results of operations; and the actions of regulatory, legislative, executive, or judicial decisions at the federal, state, provincial, or local level with regard to our business and the impact of any such actions.

Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company’s future financial results and business. Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. Such factors include: the effects of economic and market conditions in the markets in which the Company operates or otherwise, including the impact of global supply chain disruptions, price inflation, changes in interest rates, economic downturns, changes in trade policies, and geopolitical and regulatory uncertainty; competition with other entertainment, sports content, and gaming experiences; the timing, cost and expected impact of product and technology investments; risks relating to operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions; our ability to successfully acquire and integrate new properties and operations and achieve expected synergies from acquisitions; the availability of future borrowings under our Amended Credit Facilities or other sources of capital to enable us to service our indebtedness, make anticipated capital expenditures or pay off or refinance our indebtedness prior to maturity; the impact of indemnification obligations under the Barstool SPA; our ability to achieve the anticipated financial returns from the Sportsbook Agreement with ESPN, including due to fees, costs, taxes, or circumstances beyond the Company’s or ESPN’s control; the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the Company and ESPN to terminate the Sportsbook Agreement between the companies; the ability of the Company and ESPN to agree to extend the initial 10-year term of the Sportsbook Agreement on mutually satisfactory terms, if at all, and the costs and obligations of such terms if agreed; the outcome of any legal proceedings that may be instituted against the Company, ESPN or their respective directors, officers or employees; the ability of the Company or ESPN to retain and hire key personnel; the impact of new or changes in current laws, regulations, rules or other industry standards; the impact of activist shareholders; adverse outcomes of litigation involving the Company, including litigation in connection with our 2025 annual meeting of shareholders; our ability to maintain our gaming licenses and concessions and comply with applicable gaming law, changes in current laws, regulations, rules or other industry standards, and additional factors described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the U.S. Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. Considering these risks, uncertainties and assumptions, the forward-looking events discussed in this document may not occur.