

PENN NATIONAL GAMING INC
Form S-4
February 08, 2018

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As filed with the Securities and Exchange Commission on February 8, 2018

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PENN NATIONAL GAMING, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

7790
(Primary Standard Industrial
Classification Code Number)
825 Berkshire Blvd., Suite 200
Wyomissing, Pennsylvania 19610
(610) 373-2400

(Address, including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

23-2234473
(IRS Employer
Identification No.)

Carl Sottosanti
Executive Vice President, General Counsel and Secretary
Penn National Gaming, Inc.
825 Berkshire Blvd., Suite 200
Wyomissing, Pennsylvania 19610
Telephone: (610) 373-2400

(Name, Address, including Zip Code, and Telephone Number, including
Area Code, of Agent for Service)

Copies to:

Daniel A. Neff
Gregory E. Ostling
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street

Donna Negrotto
Executive Vice President,
General Counsel and Secretary
Pinnacle Entertainment, Inc.

Stephen F. Arcano
Neil P. Stronski
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square

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New York, New York 10019
(212) 403-1000

3980 Howard Hughes Parkway
Las Vegas, Nevada 89169
(702) 541-7777

New York, New York 10036
(212) 735-3000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement is declared effective and upon completion of the merger described in the joint proxy statement/prospectus contained herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a
smaller reporting
company)

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.01 per share	31,337,602 shares(1)	N/A	\$699,529,259.05(2)	\$87,091.39(3)

(1) Represents the estimated maximum number of shares of common stock, par value \$0.01, of the registrant estimated to be issuable pursuant to the merger described in the enclosed joint proxy statement/prospectus (the "merger").

(2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rules 457(c), 457(f)(1) and 457(f)(3) of the Securities Act. The proposed aggregate maximum offering price is (a) the product of (i) \$30.865 (the average of the high and low prices of the common stock, par value \$0.01 per share, of Pinnacle Entertainment, Inc. ("Pinnacle common stock") as reported on the Nasdaq Global Select Market on February 8, 2018) and (ii) 64,383,733, the estimated maximum number of shares of Pinnacle common stock that may be canceled and exchanged in the merger, including the total number of shares of Pinnacle common stock issuable under Pinnacle equity awards consistent with the terms of the merger agreement described in the enclosed joint proxy statement/prospectus less (b) \$1,287,674,660.00, the estimated aggregate amount of cash to be paid by the registrant as merger consideration.

(3)

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Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the SEC, acting pursuant to said section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 8, 2018

MERGER PROPOSED YOUR VOTE IS IMPORTANT

Dear Shareholders of Penn National Gaming, Inc. and Stockholders of Pinnacle Entertainment, Inc.:

On December 17, 2017, Penn National Gaming, Inc. ("Penn"), Franchise Merger Sub, Inc. a wholly owned subsidiary of Penn ("Merger Sub"), and Pinnacle Entertainment, Inc. ("Pinnacle") entered into an Agreement and Plan of Merger (the "merger agreement"), providing for the merger of Merger Sub with and into Pinnacle, with Pinnacle continuing as the surviving corporation (the "merger").

In connection with the merger, Penn will issue shares of common stock of Penn to stockholders of Pinnacle (the "share issuance"). Under the rules of the Nasdaq Global Select Market, Penn is required to obtain shareholder approval prior to the share issuance. Accordingly, Penn will hold a special meeting of shareholders (the "Penn special meeting") to vote on the share issuance (the "share issuance proposal"). At the Penn special meeting, Penn will also propose that its shareholders approve the adjournment of the Penn special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal (the "Penn adjournment proposal"). Approval of each of these proposals requires the affirmative vote of a majority of the votes cast on each such proposal by the holders of Penn common stock present at the Penn special meeting. The Penn special meeting will be held on [] at Penn's executive offices at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, at [] local time. **Penn's board of directors (other than Messrs. Peter M. Carlino and David A. Handler, who recused themselves) unanimously recommends that Penn shareholders vote "FOR" the share issuance proposal and "FOR" the Penn adjournment proposal.**

In addition, Pinnacle will hold a special meeting of stockholders (the "Pinnacle special meeting") to vote on a proposal to adopt the merger agreement (the "merger agreement proposal") and approve related matters as described in the attached joint proxy statement/prospectus. Under the laws of the State of Delaware, the approval of Pinnacle's stockholders must be obtained before the merger can be completed. Approval of the merger agreement proposal requires the affirmative vote of holders of a majority in voting power of the outstanding shares of Pinnacle common stock, in person or by proxy, entitled to vote on the merger agreement proposal. At the Pinnacle special meeting, Pinnacle will also propose that its stockholders vote on proposals (i) to approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger (the "advisory compensation proposal") and (ii) to approve the adjournment of the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement (the "Pinnacle adjournment proposal"). Approval of each of the advisory compensation proposal and the Pinnacle adjournment proposal requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Pinnacle common stock. The Pinnacle special meeting will be held on [] at [], at [], local time. **Pinnacle's board of directors unanimously recommends that Pinnacle stockholders vote "FOR" the adoption of the merger agreement, "FOR" the advisory compensation proposal and "FOR" the Pinnacle adjournment proposal.**

If the merger is completed, each outstanding share of Pinnacle common stock (with certain exceptions described in the accompanying joint proxy statement/prospectus) will be entitled to the right to receive 0.42 shares of Penn common stock and \$20.00 in cash (plus, if the merger is not consummated on or prior to October 31, 2018, an additional \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger) (the "merger consideration"), without interest and subject to applicable withholding taxes. Although the number of

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shares of Penn common stock that Pinnacle stockholders will receive is fixed, the market value of the merger consideration will fluctuate with the market price of Penn common stock and will not be known at the time that Pinnacle stockholders vote to adopt the merger agreement or at the time Penn shareholders vote to approve the share issuance. Based on the closing price of Penn's common stock on the Nasdaq Global Select Market on December 15, 2017, the last trading day before the public announcement of the merger, the 0.42 exchange ratio, together with the \$20.00 in cash, represented approximately \$32.47 in value for each share of Pinnacle common stock. Based on Penn's closing price on [], 2018 of \$[], the 0.42 exchange ratio, together with the \$20.00 in cash, represented approximately \$[] in value for each share of Pinnacle common stock. Based upon the estimated number of shares of capital stock as well as the outstanding equity of the parties that will be outstanding immediately prior to the consummation of the merger, we estimate that, upon consummation of the transaction, existing Penn shareholders will hold approximately 78% and former Pinnacle stockholders will hold approximately 22% of the outstanding common stock of Penn. **We urge you to obtain current market quotations for Penn (trading symbol "PENN") and Pinnacle (trading symbol "PNK").**

The exchange of the merger consideration for Pinnacle common stock in the merger generally will be a taxable transaction for U.S. federal income tax purposes. Holders of Pinnacle common stock should read the section of this joint proxy statement/prospectus entitled "The Merger Certain Material U.S. Federal Income Tax Considerations" for a more detailed discussion of certain U.S. federal income tax consequences of the merger to holders of Pinnacle common stock.

The obligations of Penn and Pinnacle to complete the merger are subject to the satisfaction or waiver of a number of conditions set forth in the merger agreement, a copy of which is included as Annex A to the attached joint proxy statement/prospectus. The attached joint proxy statement/prospectus describes the Penn special meeting, the Pinnacle special meeting, the merger, the documents and agreements related to the merger, the share issuance and other related matters. It also contains or references information about Penn and Pinnacle and certain related agreements and matters. **Please carefully read this entire joint proxy statement/prospectus, including "Risk Factors," beginning on page [41], for a discussion of the risks relating to the proposed merger.** You can also obtain information about Penn and Pinnacle from documents that each has filed with the Securities and Exchange Commission.

Sincerely,

Timothy J. Wilmott
Chief Executive Officer and Director
Penn National Gaming, Inc.

Anthony M. Sanfilippo
Chairman and Chief Executive Officer
Pinnacle Entertainment, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger described in this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This document is dated [], 2018 and is first being mailed to shareholders of record of Penn and stockholders of record of Pinnacle on or about [], 2018.

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PENN NATIONAL GAMING, INC.

825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON [•], 2018

This is a notice that a special meeting of shareholders (the "Penn special meeting") of Penn National Gaming, Inc. ("Penn") will be held on [], 2018 at Penn's executive offices at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, at [] local time. This special meeting will be held for the following purposes:

1. to approve the issuance of shares of common stock of Penn, par value \$0.01, to stockholders of Pinnacle Entertainment, Inc. ("Pinnacle") in connection with the Agreement and Plan of Merger, dated as of December 17, 2017 (as it may be amended from time to time, the "merger agreement"), a copy of which is attached as Annex A to the joint proxy statement/prospectus of which this notice is a part, by and among Penn, Franchise Merger Sub, Inc., a wholly owned subsidiary of Penn ("Merger Sub"), and Pinnacle (the "share issuance proposal"); and
2. to approve the adjournment of the Penn special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal (the "Penn adjournment proposal").

This joint proxy statement/prospectus describes the proposals listed above and the Penn special meeting in more detail. Please refer to the attached document, including the merger agreement, all the other annexes and any documents incorporated by reference, for further information with respect to the business to be transacted at the Penn special meeting. You are encouraged to read the entire document carefully before voting. In particular, see the section titled "The Merger" beginning on page [69] for a description of the transactions contemplated by the merger agreement, including the share issuance contemplated by the share issuance proposal, and the section titled "Risk Factors" beginning on page [42] for an explanation of the risks associated with the merger and the other transactions contemplated by the merger agreement, including the share issuance.

The Penn board of directors (other than Messrs. Peter M. Carlino and David A. Handler, who recused themselves) has unanimously (i) determined that it is in the best interests of Penn and its shareholders, and declared it advisable, to enter into the merger agreement and (ii) approved the execution, delivery and performance by Penn of the merger agreement and the consummation of the transactions contemplated thereby, including the merger and the share issuance. Accordingly, the Penn board of directors recommends that Penn shareholders vote "FOR" the share issuance proposal and "FOR" the Penn adjournment proposal.

The Penn board of directors has fixed [], 2018 as the record date for determination of Penn shareholders entitled to receive notice of, and to vote at, the Penn special meeting or any adjournments or postponements thereof. Only holders of record of Penn common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Penn special meeting.

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. The merger between Penn and Pinnacle cannot be completed without the approval of the share issuance proposal by the affirmative vote of a majority of the votes cast on the proposal by holders of Penn's common stock present at the Penn special meeting.

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Whether or not you expect to attend the Penn special meeting in person, we urge you to submit a proxy to have your shares voted as promptly as possible by either: (1) logging onto the website shown on your proxy card and following the instructions to vote online; (2) dialing the toll-free number shown on your proxy card and following the instructions to vote by phone; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Penn special meeting. Even if you plan to attend the Penn special meeting in person, we request that you complete, sign, date and return the enclosed proxy card and thus ensure that your shares of Penn common stock will be represented at the Penn special meeting if you are unable to attend.

If your shares are held in the name of a broker, bank, trustee or other nominee, please follow the instructions on the voting instruction form furnished by such broker, bank, trustee or other nominee, as appropriate. If you have any questions concerning the share issuance proposal or the other transactions contemplated by the merger agreement or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Penn common stock, please contact Penn's proxy solicitor:

Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Shareholders May Call Toll-Free: (888) 750-5834
Banks & Brokers May Call Collect: (212) 750-5833

By order of the Board of Directors,

Carl Sottosanti
Executive Vice President, General Counsel and Secretary

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**PINNACLE ENTERTAINMENT, INC.
3980 Howard Hughes Parkway
Las Vegas, Nevada 89169
(702) 541-7777**

NOTICE OF 2018 SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON [•], 2018

This is a notice that a special meeting of stockholders (the "Pinnacle special meeting") of Pinnacle Entertainment, Inc. ("Pinnacle") will be held on [], 2018, at [], local time, at []. This special meeting will be held for the following purposes:

1. to adopt the Agreement and Plan of Merger, dated as of December 17, 2017 (as it may be amended from time to time, the "merger agreement"), a copy of which is attached as Annex A to the joint proxy statement/prospectus of which this notice is a part, by and among Pinnacle, Penn National Gaming, Inc. ("Penn") and Franchise Merger Sub, Inc., a wholly owned subsidiary of Penn ("Merger Sub"), pursuant to which Merger Sub will merge with and into Pinnacle (the "merger"), with Pinnacle surviving as a wholly owned subsidiary of Penn; and each outstanding share of Pinnacle common stock (with certain exceptions described in the accompanying joint proxy statement/prospectus) will be converted into the right to receive (A) \$20.00 plus, if the closing does not occur on or prior to October 31, 2018, an additional \$0.01 for each day during the period commencing on November 1, 2018 and ending on the closing date, in cash and (B) 0.42 of a share of Penn common stock, without interest and subject to applicable withholding taxes, pursuant to the merger agreement;
2. to approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger; and
3. to approve the adjournment of the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

This joint proxy statement/prospectus describes the proposals listed above in more detail, as well as other matters contemplated in connection with the proposed merger. Please refer to the attached document, including the merger agreement, all other annexes and any documents incorporated by reference, for further information with respect to the business to be transacted at the Pinnacle special meeting. You are encouraged to read the entire document carefully before voting.

Pinnacle's board of directors (the "Pinnacle board") unanimously (i) determined that it is in the best interests of Pinnacle and its stockholders, and declared it advisable, for Pinnacle to enter into the merger agreement, (ii) approved the execution, delivery and performance by Pinnacle of the merger agreement and the consummation of the transactions contemplated thereby, including the merger, and (iii) resolved to recommend adoption of the merger agreement by Pinnacle's stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders. Accordingly, the Pinnacle board recommends that Pinnacle stockholders vote "FOR" the adoption of the merger agreement, "FOR" the approval on an advisory (non-binding) basis of certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger and "FOR" the adjournment of the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

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[], 2018 has been fixed as the record date for determination of Pinnacle stockholders entitled to receive notice of, and to vote at, the Pinnacle special meeting or any adjournments or postponements thereof. Only holders of record of Pinnacle common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Pinnacle special meeting.

A complete list of registered Pinnacle stockholders entitled to vote at the Pinnacle special meeting will be available for inspection at the principal place of business of Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, during regular business hours for a period of no less than 10 days before the Pinnacle special meeting and at the place of the Pinnacle special meeting during the meeting.

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. The merger between Pinnacle and Penn cannot be completed without the adoption of the merger agreement by the affirmative vote, in person or by proxy, of holders representing a majority of the voting power of the outstanding shares of Pinnacle common stock entitled to vote on the merger agreement proposal as of the record date for the Pinnacle special meeting.

Whether or not you expect to attend the Pinnacle special meeting in person, we urge you to submit a proxy to have your shares voted as promptly as possible by either: (1) logging onto the website shown on your proxy card and following the instructions to vote online; (2) dialing the toll-free number shown on your proxy card and following the instructions to vote by phone; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Pinnacle special meeting. If your shares are held in a Pinnacle plan or in the name of a broker, bank or other nominee, please follow the instructions on the voting instruction form furnished by the plan trustee or administrator, or such broker, bank or other nominee, as appropriate.

If you have any questions concerning the merger agreement or the merger contemplated by the merger agreement, or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Pinnacle common stock, please contact Pinnacle's proxy solicitor:

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
Stockholders May Call Toll-Free: (866) 530-8635
Banks & Brokers May Call Collect: (212) 269-5550
Email: PNK@dfking.com

By order of the Board of Directors

Donna S. Negrotto
Executive Vice President, General Counsel and Secretary

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ADDITIONAL INFORMATION

Both Penn and Pinnacle file annual, quarterly and current reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the "SEC"). You may read and copy any materials that either Penn or Pinnacle files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 for further information on the Public Reference Room. In addition, Penn and Pinnacle file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You can also obtain these documents, free of charge, from Penn at <https://pennnationalgaming.gcs-web.com/investor-overview> or from Pinnacle at <http://investors.pnkinc.com/investor-relations>. The information contained on, or that may be accessed through, Penn's and Pinnacle's websites is not incorporated by reference into, and is not a part of, this joint proxy statement/prospectus.

Penn has filed a registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part with respect to the shares of Penn common stock to be issued in the merger. This joint proxy statement/prospectus constitutes the prospectus of Penn filed as part of the registration statement. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits in the SEC's reading room at the address set forth above or at the SEC's website mentioned above. Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable agreement or other document filed as an exhibit to the registration statement. **This joint proxy statement/prospectus incorporates important business and financial information about Penn and Pinnacle from documents that are not attached to this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company or its proxy solicitor at the following addresses and telephone numbers:**

For Penn shareholders:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
(610) 401-2029
Attention: Justin Sebastiano

Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Shareholders May Call Toll-Free: (888) 750-5834
Banks & Brokers May Call
Collect: (212) 750-5833

If you would like to request any documents, please do so by [], 2018 in order to receive them before the Penn special meeting or the Pinnacle special meeting, as applicable.

For Pinnacle stockholders:

Pinnacle Entertainment, Inc.
3980 Howard Hughes Parkway
Las Vegas, Nevada 89169
(702) 541-7777
Attention: Vincent Zahn

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
Stockholders May Call Toll-Free: (866) 530-8635
Banks & Brokers May Call
Collect: (212) 269-5550

For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page [].

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 (Registration No. 333-[]) filed with the SEC by Penn, constitutes a prospectus of Penn under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Penn common stock to be issued to Pinnacle stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Pinnacle and Penn under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Penn shareholders and a notice of meeting with respect to the special meeting of Pinnacle stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [], 2018, and you should assume that the information contained in this joint proxy statement/prospectus is accurate only as of such date. You should also assume that the information incorporated by reference into this joint proxy statement/prospectus is only accurate as of the date of such information.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding Penn has been provided by Penn and information contained in this joint proxy statement/prospectus regarding Pinnacle has been provided by Pinnacle.

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QUESTIONS AND ANSWERS

The following are some questions that you, as a shareholder of Penn or a stockholder of Pinnacle, may have regarding the merger, the share issuance and other matters being considered at the Penn and Pinnacle special meetings, respectively, and the answers to those questions. Penn and Pinnacle urge you to carefully read the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger, the share issuance and the other matters being considered at the Penn special meeting and the Pinnacle special meeting. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.

Q:
Why am I receiving this document?

A:
Penn Merger Sub and Pinnacle have entered into an Agreement and Plan of Merger, dated as of December 17, 2017 (as it may be amended from time to time, the "merger agreement"), providing for the merger of Merger Sub with and into Pinnacle (the "merger"), with Pinnacle surviving the merger as a wholly owned subsidiary of Penn. In order to effect the merger, Penn shareholders must approve the proposal to issue shares of Penn common stock, par value \$0.01 per share ("Penn common stock"), to the Pinnacle stockholders pursuant to the merger agreement (the "share issuance proposal") and Pinnacle stockholders must approve the proposal to adopt the merger agreement (the "merger agreement proposal"), and all other conditions to the merger must be satisfied or waived.

Penn and Pinnacle will hold separate special meetings to obtain these approvals and approvals with respect to other related matters.

This joint proxy statement/prospectus, which you should read carefully, contains important information about the merger, the share issuance and other matters being considered at the Penn special meeting and the Pinnacle special meeting.

Q:
What third-party transactions are anticipated to occur in connection with the merger?

A:
In connection with the merger, Boyd Gaming Corporation ("Boyd"), Boyd TCIV, LLC, a wholly owned subsidiary of Boyd ("Boyd Purchaser"), Penn, and, solely following the execution of a joinder, Pinnacle and Pinnacle MLS, LLC, a wholly owned tenant subsidiary of Pinnacle ("Pinnacle Tenant"), entered into a Membership Interest Purchase Agreement (as it may be amended from time to time, the "divestiture agreement"), dated as of December 17, 2017, pursuant to which Boyd Purchaser will (i) acquire the membership interests of certain Pinnacle subsidiaries (such subsidiaries, the "divestiture subsidiaries") which own and operate the casinos known as Ameristar Casino Resort Spa St. Charles (Missouri) ("Ameristar St. Charles"), Ameristar Casino Hotel Kansas City (Missouri) ("Ameristar Kansas City"), Belterra Casino Resort (Indiana) ("Belterra"), and Belterra Park Gaming and Entertainment Center (Ohio) ("Belterra Park" and such casinos collectively, the "divestiture casinos") and certain other assets primarily related to the business of the divestiture subsidiaries and (ii) assume certain other liabilities related to the business of the divestiture subsidiaries (the "Boyd divestitures").

In addition, at or prior to the completion of the Boyd divestitures, Boyd Purchaser will enter into a "triple net" Master Lease (the "Boyd master lease") with Gold Merger Sub, LLC ("Gold Merger Sub"), a subsidiary of Gaming and Leisure Properties, Inc. ("GLPI"), for the lease of the real property interests related to the divestiture casinos.

Also on December 17, 2017, Penn entered into: (1) a Purchase Agreement (the "Belterra Park real estate purchase agreement") with Gold Merger Sub, pursuant to which Gold Merger Sub will acquire the real estate associated with Belterra Park; (2) a Purchase Agreement (the "Plainridge

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real estate purchase agreement") with Gold Merger Sub and Plainville Gaming and Redevelopment, LLC, which is a wholly owned subsidiary of Penn through which Penn owns and operates its Plainridge Park Casino in Plainville, Massachusetts, pursuant to which Gold Merger Sub will acquire the real estate associated with Penn's Plainridge Park Casino in Plainville, Massachusetts, which real estate, at the closing of the transactions, will be leased to Pinnacle Tenant, pursuant to an amendment (the "Pinnacle master lease amendment") to the Master Lease, dated as of April 28, 2016, by and between Gold Merger Sub and Pinnacle Tenant (as amended through the date hereof, the "Pinnacle master lease" and as amended by the Pinnacle master lease amendment, the "amended Pinnacle master lease"); (3) a Master Lease Commitment and Rent Allocation Agreement (the "rent allocation agreement") with Boyd, Boyd Purchaser, GLPI and Gold Merger Sub, pursuant to which the parties thereto agreed to, among other matters, the allocation of rent to be paid following consummation of the Boyd divestitures by Boyd Purchaser and Pinnacle Tenant under the Boyd master lease and the amended Pinnacle master lease, respectively; and (4) a Consent Agreement with GLPI and certain of its wholly owned subsidiaries (including Gold Merger Sub, PA Meadows, LLC, WTA II, Inc., CCR Pennsylvania Racing, Inc.) and Pinnacle and certain of its wholly owned subsidiaries (including Pinnacle Tenant and PNK Development 33, LLC), pursuant to which, among other things and subject to the conditions set forth therein, Gold Merger Sub has consented to the Boyd divestitures (the "landlord consent agreement," and together with the Belterra Park real estate purchase agreement, the Plainridge real estate purchase agreement, the Pinnacle master lease amendment and the rent allocation agreement, the "real estate transaction agreements," and the transactions contemplated by the real estate transaction agreements, the "real estate transactions").

Q:

What will Pinnacle stockholders receive for their shares of Pinnacle common stock in the merger?

A:

At the effective time of the merger (the "effective time"), each share of Pinnacle common stock issued and outstanding immediately prior to the effective time (other than shares of Pinnacle common stock held in (1) treasury, (2) by Penn, Penn's subsidiaries or Merger Sub, which are to be cancelled at the effective time, and (3) shares held by dissenting Pinnacle stockholders, collectively, the "excluded shares") will be converted into the right to receive 0.42 of a share of Penn common stock (the "share consideration"), with cash paid in lieu of the issuance of fractional shares of Penn common stock, and \$20.00 in cash (plus, if the merger is not consummated on or prior to October 31, 2018, \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger) (the "cash consideration" and together with the share consideration, the "merger consideration"), without interest and subject to applicable withholding taxes.

No fractional shares of Penn common stock shall be issued and each Pinnacle stockholder who would otherwise have been entitled to receive a fraction of a share of Penn common stock shall receive in lieu thereof a cash payment (without interest) as determined under the merger agreement.

Q:

If I am a Pinnacle stockholder, how will I receive the merger consideration to which I am entitled?

A:

As soon as reasonably practicable after the effective time and in any event within five business days of the closing date, an exchange agent will mail to each holder of record of Pinnacle common stock (whose shares were converted into the right to receive the merger consideration pursuant to the merger agreement) a letter of transmittal and instructions for use in effecting the surrender of certificates of Pinnacle common stock ("Pinnacle stock certificates") and book-entry shares representing the shares of Pinnacle common stock ("Pinnacle book-entry shares") in exchange for the merger consideration and any dividends or other distributions to which such Pinnacle stock certificates or Pinnacle book-entry shares become entitled to pursuant to the merger agreement.

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Upon receipt by the exchange agent of (i) either Pinnacle stock certificates or Pinnacle book-entry shares and (ii) a duly completed and validly executed letter of transmittal and such other documents as may be required pursuant to such instructions, the holder of such shares will be entitled to receive the merger consideration in exchange therefor.

Q:

Who will own Penn immediately following the transactions?

A:

Penn and Pinnacle estimate that, upon completion of the merger, Penn shareholders as of immediately prior to the merger will hold approximately 78% and Pinnacle stockholders will hold approximately 22% of the outstanding shares of Penn common stock.

Q:

How important is my vote?

A:

Your vote "**FOR**" each proposal presented at the Penn special meeting and/or the Pinnacle special meeting is very important, and you are encouraged to submit a proxy or proxies as soon as possible.

Approval of the share issuance proposal requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Penn's common stock present at the Penn special meeting. Penn shareholders that fail to vote on the share issuance proposal and abstentions will not be counted as votes cast "for" or "against" the share issuance proposal and therefore will have no effect on the outcome of the share issuance proposal at a duly convened Penn special meeting. Approval of the proposal to adjourn the Penn special meeting, if necessary or appropriate, to solicit additional proxies in favor of the share issuance proposal if there are not sufficient votes at the time of such adjournment to approve the share issuance (the "Penn adjournment proposal") requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Penn common stock present at the Penn special meeting. Penn shareholders that fail to vote on the Penn adjournment proposal and abstentions will not be counted as votes cast "for" or "against" the Penn adjournment proposal and will have no effect on the outcome of the Penn adjournment proposal.

Approval of the merger agreement proposal requires the affirmative vote of holders of a majority in voting power of the outstanding shares of Pinnacle common stock, in person or by proxy, entitled to vote on the merger agreement proposal. **Any abstention by a Pinnacle stockholder and the failure of any Pinnacle stockholder to submit a vote will have the same effect as voting against the merger agreement proposal.** Adoption of the advisory compensation proposal requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Pinnacle common stock. Failure to vote and abstentions will not be counted as votes cast "for" or "against" the advisory compensation proposal and will have no effect on the outcome of the advisory compensation proposal. Because the advisory compensation proposal is non-binding, if the merger agreement is approved by Pinnacle stockholders and the merger is completed, the compensation matters that are the subject of the advisory compensation proposal, including amounts Penn or Pinnacle are contractually obligated to pay, would still be paid regardless of the outcome of the non-binding advisory vote. Approval of the proposal to adjourn the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement proposal if there are not sufficient votes at the time of such adjournment to adopt the merger agreement (the "Pinnacle adjournment proposal") requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Pinnacle common stock. Failure to vote and abstentions will not be counted as votes cast "for" or "against" the Pinnacle adjournment proposal and will have no effect on the outcome of the Pinnacle adjournment proposal.

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Q:

How do the Penn board of directors and the Pinnacle board of directors recommend that I vote?

A:

Penn's board of directors (other than Messrs. Peter M. Carlino and David A. Handler, who recused themselves) has unanimously (i) determined that it is in the best interests of Penn and its shareholders, and declared it advisable, to enter into the merger agreement and (ii) approved the execution, delivery and performance by Penn of the merger agreement and the consummation of the transactions contemplated thereby, including the merger and the share issuance.

Accordingly, Penn's board of directors (the "Penn board") recommends that Penn shareholders vote **"FOR"** the share issuance proposal and **"FOR"** the Penn adjournment proposal. For a detailed description of the various factors considered by the Penn board, see the section titled "The Merger Recommendation of the Penn board and Reasons for the Merger."

Pinnacle's board of directors (the "Pinnacle board"), after considering the various factors described under "The Merger Recommendation of the Pinnacle Board and Reasons for the Merger," the comprehensive process conducted by the Pinnacle board and the alternatives to the merger (including remaining as a standalone company), unanimously (i) determined that it is in the best interests of its stockholders, and declared it advisable, to enter into the merger agreement, (ii) approved the execution, delivery and performance by Pinnacle of the merger agreement and the consummation of the transactions contemplated hereby, including the merger, and (iii) resolved to recommend the adoption of the merger agreement by Pinnacle's stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders.

Accordingly, the Pinnacle board recommends that Pinnacle stockholders vote **"FOR"** the adoption of the merger agreement, **"FOR"** the approval on an advisory (non-binding) basis of certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger and **"FOR"** the adjournment of the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

Q:

Will the Penn common stock received at the time of completion of the merger be traded on an exchange?

A:

Yes. It is a condition to the consummation of the merger that the shares of Penn common stock to be issued to Pinnacle stockholders in connection with the merger be authorized for listing on the Nasdaq Global Select Market, subject to official notice of issuance.

Q:

How will Penn shareholders be affected by the merger?

A:

Upon completion of the merger, each Penn shareholder will hold the same number of shares of Penn common stock that such shareholder held immediately prior to completion of the merger. As a result of the merger, Penn shareholders will own shares in a larger company with more assets. However, because in connection with the merger, Penn will be issuing additional shares of Penn common stock to Pinnacle stockholders in exchange for their shares of Pinnacle common stock, each outstanding share of Penn common stock immediately prior to the merger will represent a smaller percentage of the aggregate number of shares of Penn common stock outstanding after the merger.

Q:

What are the U.S. federal income tax consequences of the merger to holders of Pinnacle common stock?

A:

If you are a U.S. holder (as such term is defined below under "Certain U.S. Federal Income Tax Considerations"), the receipt of the merger consideration in exchange for shares of Pinnacle

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common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. You should consult your tax advisor regarding the particular tax consequences to you of the exchange of shares of Pinnacle common stock for the merger consideration pursuant to the merger in light of your particular circumstances (including the application and effect of any state, local or foreign income and other tax laws). For a more detailed discussion of the U.S. federal income tax consequences of the merger to holders of Pinnacle common stock, please see the section titled "The Merger Certain U.S. Federal Income Tax Considerations" beginning on page [].

Q:
When do Penn and Pinnacle expect to complete the merger?

A:
Penn and Pinnacle currently expect to complete the merger in the second half of 2018. However, neither Penn nor Pinnacle can predict the actual date on which the merger will be completed, nor can the parties provide any assurance that the merger will be completed. See the sections entitled "Risk Factors Risks Relating to the Merger," "The Merger Regulatory Approvals" and "The Merger Agreement Conditions to Completion of the Merger."

Q:
What happens if the merger is not completed?

A:
In the event that the merger agreement is not adopted by Pinnacle's stockholders, the share issuance is not approved by Penn's shareholders, or the merger is not completed for any other reason, Pinnacle's stockholders will not receive any payment for shares of Pinnacle common stock they own. Instead, Pinnacle will remain an independent public company, Pinnacle common stock will continue to be listed and traded on the Nasdaq Global Select Market and registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Pinnacle will continue to file periodic reports with the SEC on account of Pinnacle's common stock.

Under specified circumstances, Pinnacle and/or Penn may be required to reimburse the other party's expenses or pay a termination fee upon termination of the merger agreement, as described under "The Merger Agreement Expenses and Termination Fees Relating to the Termination of the Merger Agreement."

Q:
When and where is the Penn special meeting?

A:
The Penn special meeting will be held on [], 2018, at Penn's executive offices at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, local time, at [].

Q:
When and where is the Pinnacle special meeting?

A:
The Pinnacle special meeting will be held on [], 2018, at [], local time, at [].

Q:
Who can vote at each of the Penn special meeting and the Pinnacle special meeting?

A:
All holders of shares of Penn common stock who hold such shares of record at the close of business on [], 2018, the record date for the Penn special meeting, are entitled to receive notice of and to vote at the Penn special meeting.

All holders of shares of Pinnacle common stock who hold such shares of record at the close of business on [], 2018, the record date for the Pinnacle special meeting, are entitled to receive notice of and to vote at the Pinnacle special meeting.

Q:
How many votes may I cast?

A:

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Each share of Penn common stock entitles its holder of record to one vote on each matter considered at the Penn special meeting. Only Penn shareholders who held shares of Penn common

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stock at the close of business on [], 2018 are entitled to vote at the Penn special meeting and any adjournment or postponement of the Penn special meeting, so long as such shares remain outstanding on the date of the Penn special meeting.

Each outstanding share of Pinnacle common stock entitles its holder of record to one vote on each matter considered at the Pinnacle special meeting. Only Pinnacle stockholders who held shares of record at the close of business on [], 2018 are entitled to vote at the Pinnacle special meeting and any adjournment or postponement of the Pinnacle special meeting, so long as such shares remain outstanding on the date of the Pinnacle special meeting.

Q:
What are the record dates in connection with each of the Penn special meeting and the Pinnacle special meeting?

A:
The record date for the determination of shareholders entitled to notice of and to vote at the Penn special meeting is [], 2018. The record date for the determination of stockholders entitled to notice of and to vote at the Pinnacle special meeting is [], 2018.

Q:
What constitutes a quorum at each of the Penn special meeting and the Pinnacle special meeting?

A:
In order for business to be conducted at the Penn and Pinnacle special meetings, a quorum must be present. A quorum at the Penn special meeting requires the presence, in person or by proxy, of holders of a majority of the issued and outstanding shares of Penn common stock entitled to vote at the Penn special meeting. A quorum at the Pinnacle special meeting requires the presence, in person or by proxy, of holders of a majority of voting power of all shares of Pinnacle capital stock entitled to vote at the Pinnacle special meeting.

Q:
What do I need to do now?

A:
After you have carefully read and considered the information contained or incorporated by reference into this joint proxy statement/prospectus, please submit your proxy via the Internet or by telephone in accordance with the instructions set forth on the enclosed proxy card, or complete, sign, date and return the enclosed proxy card in the postage-prepaid envelope provided as soon as possible so that your shares will be represented and voted at the Penn special meeting or the Pinnacle special meeting, as applicable.

Additional information on voting procedures can be found under the section titled "Penn Special Meeting" and under the section titled "Pinnacle Special Meeting."

Q:
How will my proxy be voted?

A:
If you submit your proxy via the Internet, by telephone or by completing, signing, dating and returning the enclosed proxy card, your proxy will be voted in accordance with your instructions.

Additional information on voting procedures can be found under the section titled "Penn Special Meeting" and under the section titled "Pinnacle Special Meeting."

Q:
Who will count the votes?

A:
The votes at the Penn special meeting will be counted by an independent judge of election appointed by the Penn board. The votes at the Pinnacle special meeting will be counted by an independent inspector of election.

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Q:
May I vote in person?

A:
Yes. If you are a shareholder of record of Penn at the close of business on [], 2018 or a stockholder of record of Pinnacle at the close of business on [], 2018, you may attend your special meeting and vote your shares in person, in lieu of submitting your proxy by Internet, telephone or by completing, signing, dating and returning the enclosed proxy card.

If you are a beneficial holder of Penn common stock or Pinnacle common stock, you are also invited to attend the Penn special meeting or the Pinnacle special meeting, as applicable. However, because you are not the shareholder or stockholder of record, you may not vote your shares in person at the Penn special meeting or the Pinnacle special meeting, as applicable, unless you request and obtain a valid "legal proxy" from your bank, broker or nominee.

Q:
What must I bring to attend my special meeting?

A:
All shareholders of record, properly appointed proxy holders, and invited guests of Penn may attend the Penn special meeting. Penn shareholders who plan to attend the meeting may be required to present valid photo identification. If you hold your shares of Penn common stock in street name, please also bring proof of your share ownership, such as a broker's statement showing that you beneficially owned shares of Penn on the record date for the Penn special meeting, or a legal proxy from your broker, bank, or other nominee (a legal proxy is required if you hold your shares in street name and you plan to vote in person at the Penn special meeting). Penn shareholders of record will be verified against an official list that will be available at the Penn special meeting.

All stockholders of record, properly appointed proxy holders, and invited guests of Pinnacle may attend the Pinnacle special meeting. Pinnacle stockholders who plan to attend the meeting will be required to present valid photo identification. If you hold your shares of Pinnacle common stock in street name, please also bring proof of your share ownership, such as a broker's statement showing that you beneficially owned shares of Pinnacle on the record date for the Pinnacle special meeting, or a legal proxy from your broker, bank, or other nominee (a legal proxy is required if you hold your shares in street name and you plan to vote in person at the Pinnacle special meeting). Pinnacle shareholders of record will be verified against an official list that will be available at the Pinnacle special meeting.

Additional information on attending the Penn and the Pinnacle special meetings can be found under the sections titled "Penn Special Meeting" and "Pinnacle Special Meeting."

Q:
What should I do if I receive more than one set of voting materials for the Penn special meeting or the Pinnacle special meeting?

A:
You may receive more than one set of voting materials for the Penn special meeting or the Pinnacle special meeting or both, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction forms. For example, if you hold your Penn common stock or Pinnacle common stock in more than one brokerage account, you will receive a separate voting instruction form for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please submit each separate proxy or voting instruction form that you receive by following the instructions set forth in each separate proxy or voting instruction form.

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Q: What's the difference between holding shares as a shareholder or stockholder of record and holding shares as a beneficial owner?

A: If your shares of Penn common stock or Pinnacle common stock are registered directly in your name with Penn's transfer agent, Continental Stock Transfer & Trust Company, or Pinnacle's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares, to be the shareholder or stockholder of record. If you are a shareholder or stockholder of record, then this joint proxy statement and your proxy card have been sent directly to you by Penn or Pinnacle, as applicable.

If your shares of Penn common stock or Pinnacle common stock are held through a bank, broker or other nominee, you are considered the beneficial owner of the shares of Penn common stock or Pinnacle common stock held in "street name." In that case, this proxy statement has been forwarded to you by your bank, broker or other nominee who is considered, with respect to those shares, to be the shareholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting, and you are also invited to attend the Penn or the Pinnacle special meetings, as applicable. But, because you are not the shareholder or stockholder of record, you may not vote your shares in person at the Penn special meeting or the Pinnacle special meeting, as applicable, unless you request and obtain a valid "legal proxy" from your bank, broker or nominee.

Q: If my shares are held in "street name" by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?

A: No. If your shares are held in the name of a broker, bank or other nominee, you will receive separate instructions from your broker, bank or other nominee describing how to vote your shares. The availability of Internet or telephonic voting will depend on the nominee's voting process. Please check with your broker, bank or other nominee and follow the voting procedures provided by your broker, bank or other nominee on your voting instruction form.

You should instruct your broker, bank or other nominee how to vote your shares. Under the rules applicable to broker-dealers, your broker, bank or other nominee does not have discretionary authority to vote your shares on any of the proposals scheduled to be voted on at the Penn special meeting or the Pinnacle special meeting. A so-called "broker non-vote" results when banks, brokers and other nominees return a valid proxy but do not vote on a particular proposal because they do not have discretionary authority to vote on the matter and have not received specific voting instructions from the beneficial owner of such shares. Penn and Pinnacle do not expect any broker non-votes at the Penn special meeting or Pinnacle special meeting because the rules applicable to banks, brokers and other nominees only provide brokers with discretionary authority to vote on proposals that are considered routine, whereas each of the proposals to be presented at the Penn special meeting and Pinnacle special meeting is considered non-routine. As a result, no broker will be permitted to vote your shares at the Penn special meeting or Pinnacle special meeting without receiving instructions. Failure to instruct your broker on how to vote your shares will have no effect on the outcome of (1) share issuance proposal; (2) the Penn adjournment proposal; (3) the advisory compensation proposal; or (4) the Pinnacle adjournment proposal, but will have the same effect as a vote "against" the adoption of the merger agreement proposal.

Additional information on voting procedures can be found under the section titled "Penn Special Meeting" and under the section titled "Pinnacle Special Meeting."

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Q:

What do I do if I am a Penn shareholder and I want to revoke my proxy?

A:

Shareholders of record may revoke their proxies at any time before their shares are voted at the Penn special meeting in any of the following ways:

sending a written notice of revocation to Penn at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, Attention: Secretary, which must be received before their shares are voted at the Penn special meeting;

properly submitting a later-dated, proxy card, which must be received before their shares are voted at the Penn special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via the Internet or by telephone at a later date, which must be received by 11:59 p.m. Eastern Time on [], 2018 (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the Penn special meeting and voting in person. Attendance at the Penn special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Beneficial owners of Penn common stock may change their voting instruction by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record or by requesting a "legal proxy" from such broker, bank or other nominee and voting in person at the Penn special meeting.

Additional information can be found under the section titled "Penn Special Meeting."

Q:

What do I do if I am a Pinnacle stockholder and I want to revoke my proxy?

A:

Stockholders of record may revoke their proxies at any time before their shares are voted at the Pinnacle special meeting in any of the following ways:

sending a written notice of revocation to Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, Attention: Corporate Secretary, which must be received before their shares are voted at the Pinnacle special meeting;

properly submitting a new, later-dated proxy card, which must be received before their shares are voted at the Pinnacle special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via the Internet or by telephone at a later date, which must be received by 11:59 p.m. [Eastern Time] on [] (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the Pinnacle special meeting and voting in person. Attendance at the Pinnacle special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Pinnacle beneficial owners may change their voting instruction by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record or by requesting a "legal proxy" from such broker, bank or other nominee and voting in person at the Pinnacle special meeting.

Additional information can be found under the section titled "Pinnacle Special Meeting."

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Q: **What happens if I sell or otherwise transfer my shares of Penn common stock before the Penn special meeting?**

A: The record date for shareholders entitled to vote at the Penn special meeting is [], 2018, which is earlier than the date of the Penn special meeting. If you sell or otherwise transfer your shares after the record date but before the Penn special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you transfer your shares and each of you notifies us in writing of such special arrangements, you will retain your right to vote such shares at the Penn special meeting but will otherwise transfer ownership of your shares of Penn common stock.

Q: **What happens if I sell or otherwise transfer my shares of Pinnacle common stock before the Pinnacle special meeting?**

A: The record date for stockholders entitled to vote at the Pinnacle special meeting is [], 2018, which is earlier than the date of the Pinnacle special meeting. If you sell or otherwise transfer your shares after the record date but before the Pinnacle special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you transfer your shares and each of you notifies us in writing of such special arrangements, you will retain your right to vote such shares at the Pinnacle special meeting but will otherwise transfer ownership of your shares of Pinnacle common stock.

Q: **What happens if I sell or otherwise transfer my shares of Pinnacle common stock before the completion of the merger?**

A: Only holders of shares of Pinnacle common stock at the effective time will become entitled to receive the merger consideration. If you sell your shares of Pinnacle common stock prior to the completion of the merger, you will not become entitled to receive the merger consideration by virtue of the merger.

Q: **Do any of the officers or directors of Pinnacle have interests in the merger that may differ from or be in addition to my interests as a Pinnacle stockholder?**

A: In considering the recommendation of the Pinnacle board that Pinnacle stockholders vote to adopt the merger agreement proposal, to approve the advisory compensation proposal and to approve the Pinnacle adjournment proposal, Pinnacle stockholders should be aware that some of Pinnacle's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Pinnacle stockholders generally. The Pinnacle board was aware of and considered these potential interests, among other matters, in evaluating and negotiating the merger agreement and the transactions contemplated therein, in approving the merger and in recommending the adoption of the merger agreement and the approval of the advisory compensation proposal and the Pinnacle adjournment proposal.

For more information and quantification of these interests, please see "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger."

Q: **Where can I find voting results of the Penn and Pinnacle special meetings?**

A: Pinnacle and Penn intend to announce their respective preliminary voting results at each of the Pinnacle and Penn special meetings and publish the final results in Current Reports on Form 8-K that will be filed with the SEC following the Pinnacle special meeting and the Penn special meeting, respectively. All reports that Pinnacle and Penn file with the SEC are publicly available when filed. See the section titled "Where You Can Find More Information."

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Q: Do Penn shareholders and Pinnacle stockholders have dissenters' rights or appraisal rights, as applicable?

A: Penn shareholders are not entitled to dissenters' rights in connection with the merger. Pinnacle stockholders are entitled to appraisal rights in connection with the merger under Section 262 of the Delaware General Corporation Law (the "DGCL"), but, to properly dissent, such stockholders must satisfy the special criteria and conditions set forth in Section 262 of the DGCL. Pinnacle common stock held by stockholders that do not vote "for" the merger agreement proposal and make a demand for appraisal in accordance with the laws of the State of Delaware ("Delaware law") will not be converted into the right to receive the merger consideration, but will be converted into the right to receive from the combined company the consideration determined in accordance with Delaware law. For further information relating to appraisal rights and dissenters' rights see the sections in this joint proxy statement/prospectus titled "The Merger Appraisal Rights and Dissenters' Rights" and "Appraisal Rights and Dissenters' Rights."

Q: How can I find more information about Penn and Pinnacle?

A: You can find more information about Penn and Pinnacle from various sources described in the section titled "Where You Can Find More Information."

Q: Who can answer any questions I may have about the Penn special meeting, the Pinnacle special meeting, the merger, or the transactions contemplated by the merger agreement, including the share issuance?

A: If you have any questions about the Penn special meeting, the Pinnacle special meeting, the merger, the share issuance, or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or documents incorporated by reference herein, the enclosed proxy card or voting instructions, you should contact:

For Penn shareholders:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
(610) 401-2029
Attention: Justin Sebastiano

Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Shareholders May Call
Toll-Free: (888) 750-5834
Shareholders May Call
Collect: (212) 750-5833

For Pinnacle stockholders:

Pinnacle Entertainment, Inc.
3980 Howard Hughes Parkway
Las Vegas, Nevada 89169
(702) 541-7777
Attention: Vincent Zahn

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
Stockholders May Call
Toll-Free: (866) 530-8635
Banks & Brokers May Call
Collect: (212) 269-5550

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SUMMARY

The following summary highlights selected information described in more detail elsewhere in this joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus and may not contain all the information that may be important to you. To understand the merger and the matters being voted on by Pinnacle stockholders and Penn shareholders at their respective special meetings more fully, and to obtain a more complete description of the legal terms of the merger agreement and the agreements related thereto, you should carefully read this entire document, including the annexes, and the documents to which Penn and Pinnacle refer you. Each item in this summary includes a page reference directing you to a more complete description of that topic. See "Where You Can Find More Information."

The Parties (see pages [] and [])

Penn National Gaming, Inc.

Penn National Gaming, Inc. is a diversified, multi-jurisdictional owner and manager of gaming and racing facilities and video gaming terminal operations. Penn was incorporated in Pennsylvania in 1982 as PNRC Corp. and adopted its current name in 1994, when Penn became a publicly traded company. In 1997, Penn began its transition from a pari-mutuel company to a diversified gaming company with the acquisition of the Charles Town property and the introduction of video lottery terminals in West Virginia. Since 1997, Penn has continued to expand its gaming operations through strategic acquisitions, greenfield projects, and property expansions. As of December 31, 2017, Penn owned, managed, or had ownership interests in twenty-nine facilities in the following seventeen jurisdictions: California, Florida, Illinois, Indiana, Kansas, Maine, Massachusetts, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario, Canada.

Franchise Merger Sub, Inc.

Merger Sub is a wholly owned subsidiary of Penn. Merger Sub was formed by Penn solely in contemplation of the merger, has not conducted any business and has no assets, liabilities or other obligations of any nature other than as set forth in the merger agreement. Its principal executive offices are located at c/o Penn National Gaming, Inc., 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610 and its telephone number is (610) 373-2400.

Pinnacle Entertainment, Inc.

Pinnacle owns and operates 16 gaming, hospitality and entertainment businesses, of which 15 operate in leased facilities. Pinnacle's owned facilities are located in Ohio and its leased facilities are located in Colorado, Indiana, Iowa, Louisiana, Mississippi, Missouri, Nevada, and Pennsylvania, subject to the Pinnacle master lease and another lease pursuant to which Pinnacle leases the real property underlying its Meadows Racetrack and Casino from affiliates of GLPI (the "Meadows lease").

Penn Special Meeting (see page [])

Date, Time and Place. The Penn special meeting will be held on [] at Penn's executive offices at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania, at [] local time.

Purpose. The Penn special meeting is being held to consider and vote on the following proposals:

Proposal 1. To approve the issuance of shares of Penn common stock to Pinnacle stockholders in connection with the merger agreement (referred to previously in this joint proxy statement/prospectus as the share issuance proposal).

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Proposal 2. To approve the adjournment of the Penn special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal (referred to previously in this joint proxy statement/prospectus as the Penn adjournment proposal).

Record Date; Voting Rights. The record date for the determination of shareholders entitled to notice of and to vote at the Penn special meeting is [], 2018. Only Penn shareholders who held shares of Penn common stock of record at the close of business on [], 2018 are entitled to vote at the Penn special meeting and any adjournment or postponement of the Penn special meeting. Each share of Penn common stock entitles its holder of record to one vote at the Penn special meeting.

Quorum. In order for business to be conducted at the Penn special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of the issued and outstanding shares of Penn common stock entitled to vote at the Penn special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions will count towards the quorum.

Vote Required. The affirmative vote of a majority of the votes cast on the respective proposal by holders of Penn's common stock present at the Penn special meeting is required to approve the share issuance proposal and the Penn adjournment proposal.

As of the record date, there were [] shares of Penn common stock outstanding, held by [] holders of record. In additions, as of the record date, Penn directors and executive officers, as a group, owned and were entitled to vote [] shares of Penn common stock, or approximately []% of the outstanding shares of Penn common stock.

Pinnacle Special Meeting (see page [])

Date, Time and Place. The Pinnacle special meeting will be held on [], at [] local time, at [].

Purpose. The Pinnacle special meeting is being held to consider and vote on the following proposals:

Proposal 1. To adopt the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and the material provisions of which are summarized in the section of this joint proxy statement/prospectus entitled "The Merger Agreement", pursuant to which each outstanding share of Pinnacle common stock (other than cancelled shares and dissenting shares) will be converted into the right to receive 0.42 of a share of Penn common stock and \$20.00 in cash plus, if the merger is not consummated on or prior to October 31, 2018, \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger, without interest and subject to applicable withholding taxes, referred to previously as the merger agreement proposal (referred to previously in this joint proxy statement/prospectus as the merger agreement proposal).

Proposal 2. To approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger, the value of which is disclosed in the table in the section of this joint proxy statement/prospectus entitled "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger" (referred to previously in this joint proxy statement/prospectus as the advisory compensation proposal).

Proposal 3. To approve the adjournment of the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement proposal if there are

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not sufficient votes at the time of such adjournment to adopt the merger agreement (referred to previously in this joint proxy statement/prospectus as the Pinnacle adjournment proposal).

Record Date; Voting Rights. The record date for the determination of stockholders entitled to notice of and to vote at the Pinnacle special meeting is [], 2018. Only Pinnacle stockholders who held shares of record at the close of business on [], 2018, are entitled to vote at the Pinnacle special meeting and any adjournment or postponement of the Pinnacle special meeting, so long as such shares remain outstanding on the date of the Pinnacle special meeting. Each share of Pinnacle common stock entitles its holder of record to one vote at the Pinnacle special meeting.

Quorum. In order for business to be conducted at the Pinnacle special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of voting power of all shares of capital stock entitled to vote at the Pinnacle special meeting. For purposes of determining whether there is a quorum, all shares that are present will count towards the quorum, which will include proxies received but marked as abstentions and will exclude broker non-votes. Broker non-votes occur when a beneficial owner holding shares in "street name" does not instruct the broker, bank or other nominee that is the record owner of such stockholder's shares on how to vote those shares on a particular proposal.

Vote Required. The votes required for each proposal are as follows:

Proposal 1. The affirmative vote of a majority of the outstanding shares of Pinnacle common stock is required to adopt the merger agreement.

Proposal 2. The affirmative vote of a majority of the votes cast on the advisory compensation proposal by holders of Pinnacle common stock is required to approve the advisory compensation proposal.

Proposal 3. The affirmative vote of a majority of the votes cast on the Pinnacle adjournment proposal by holders of Pinnacle common stock is required to approve the Pinnacle adjournment proposal.

As of the close of business on the record date, there were [] shares of Pinnacle common stock outstanding, held by [] holders of record. In addition, at the close of business on the record date for the Pinnacle special meeting, Pinnacle's directors and executive officers had the right to vote approximately [] shares of the then-outstanding Pinnacle voting stock at the Pinnacle special meeting, collectively representing approximately []% of the Pinnacle common stock outstanding and entitled to vote on that date. We currently expect that Pinnacle's directors and executive officers will vote their shares "FOR" Proposal 1 (the merger agreement proposal), "FOR" Proposal 2 (the advisory compensation proposal) and "FOR" Proposal 3 (the Pinnacle adjournment proposal), although they have no obligation to do so.

The Merger (see page [])

Upon satisfaction or waiver of the conditions to closing in the merger agreement, on the closing date, Merger Sub, a wholly owned subsidiary of Penn formed for the purpose of effecting the merger, will merge with and into Pinnacle. Pinnacle will be the surviving company in the merger. At the effective time, each share of Pinnacle common stock issued and outstanding immediately prior to the effective time (other than excluded shares) will be converted into the right to receive 0.42 of a share of Penn common stock, with cash paid in lieu of the issuance of fractional shares of Penn common stock, and \$20.00 in cash (plus, if the merger is not consummated on or prior to October 31, 2018, \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger), without interest and subject to applicable withholding taxes. In addition, Pinnacle will take all actions as may be necessary so that at the effective time, each outstanding restricted stock unit

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award or performance stock unit award in respect of Pinnacle common stock will be treated as described in "The Merger Treatment of Pinnacle Equity Awards."

Third-Party Transactions in Connection with the Merger (see pages [] and [] and Annexes B - H)

In connection with the merger, on December 17, 2017, Penn, Boyd and Boyd Purchaser, entered into the divestiture agreement, pursuant to which Boyd Purchaser will acquire the membership interests of the divestiture subsidiaries which own and operate Ameristar St. Charles, Ameristar Kansas City, Belterra, and Belterra Park and certain other assets primarily related to the business of the divestiture subsidiaries and assume certain other liabilities related to the business of the divestiture subsidiaries, subject to the terms and conditions set forth therein. At or prior to the completion of the Boyd divestitures, Boyd Purchaser will enter into the Boyd master lease with Gold Merger Sub for the lease of the real property interests related to the ownership and operations of the divestiture casinos. For further information, see the section entitled "The Divestiture Agreement" and Annexes B-C.

In addition, on December 17, 2017, Penn also entered into: (1) the Belterra Park real estate purchase Agreement with Gold Merger Sub, pursuant to which Gold Merger Sub will acquire the real estate associated with the Belterra Park casino (the "Belterra Park real estate transaction"); (2) the Plainridge Real Estate Purchase Agreement, pursuant to which Gold Merger Sub will acquire the real estate associated with Penn's Plainridge Park Casino in Plainville, Massachusetts (the "Plainridge real estate transaction"), which real estate will be leased to Pinnacle Tenant pursuant to the amended Pinnacle master lease; (3) the rent allocation agreement with Boyd, Boyd Purchaser, GLPI and Gold Merger Sub (the "rent allocation agreement"), pursuant to which the parties thereto agreed to, among other matters, the allocation of rent to be paid by Boyd Purchaser and Pinnacle Tenant following consummation of the Boyd divestitures under the Boyd master lease and the amended Pinnacle master lease, respectively; and (4) the landlord consent agreement with GLPI and certain of its wholly owned landlord subsidiaries and Pinnacle and certain of its wholly owned subsidiaries pursuant to which Gold Merger Sub has provided its consent to the Boyd divestitures, subject to the satisfaction of certain specified conditions.

Recommendation of the Penn Board and Reasons for the Merger (see page [])

The Penn board recommends that Penn shareholders vote "FOR" the share issuance proposal and "FOR" the Penn adjournment proposal.

In the course of reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement, including the share issuance, the Penn board considered a number of factors in its deliberations. For a more complete discussion of these factors, see "The Merger Recommendation of the Penn Board and Reasons for the Merger."

Recommendation of the Pinnacle Board and Reasons for the Merger (see page [])

The Pinnacle board recommends that Pinnacle stockholders vote "FOR" the adoption of the merger agreement, "FOR" the approval on an advisory (non-binding) basis of certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger and "FOR" the Pinnacle adjournment proposal.

In the course of reaching its decision to approve the merger agreement and the merger contemplated by the merger agreement, the Pinnacle board considered a number of factors in its deliberations. For a more complete discussion of these factors, see "The Merger Recommendation of the Pinnacle Board and Reasons for the Merger."

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Opinion of Penn's Financial Advisor (see page [] and Annex I)

Goldman Sachs & Co. LLC ("Goldman Sachs") delivered its opinion to the Penn board that, as of the date of the written fairness opinion and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid by Penn for each share of Pinnacle's common stock pursuant to the merger agreement was fair from a financial point of view to Penn.

The full text of the written opinion of Goldman Sachs, dated December 17, 2017 which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex I. Goldman Sachs provided advisory services and its opinion for the information and assistance of the Penn board of directors in connection with its consideration of the merger. Goldman Sachs' opinion is not a recommendation as to how any holder of Penn's common stock should vote with respect to the merger or any other matter. Pursuant to an engagement letter between Penn and Goldman Sachs, Penn has agreed to pay Goldman Sachs a transaction fee of up to \$22,500,000, \$1,500,000 of which was earned prior to the announcement of the merger, and the remainder of which (including a \$2,500,000 fee payable at the discretion of Penn) is contingent upon consummation of the merger. For further information, see the section of this joint proxy statement/prospectus entitled "The Merger Opinion of Penn's Financial Advisor" and Annex I.

Opinion of Pinnacle's Financial Advisor (see page [] and Annex J)

At the meeting of the Pinnacle Board on December 17, 2017, J.P. Morgan Securities LLC ("J.P. Morgan"), the financial advisor of Pinnacle in connection with the proposed merger, rendered its oral opinion to the Pinnacle Board, confirmed by the delivery of a written opinion dated December 17, 2017, that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be paid to the holders of shares of Pinnacle's common stock in the merger was fair, from a financial point of view, to such holders.

The full text of the written opinion of J.P. Morgan dated December 17, 2017, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex J to this joint proxy statement/prospectus and is incorporated herein by reference. **The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Pinnacle's stockholders are urged to read the opinion in its entirety.** J.P. Morgan's written opinion was addressed to the Pinnacle Board (in its capacity as such) in connection with and for the purposes of its evaluation of the merger, was directed only to the consideration to be paid in the merger and did not address any other aspect of the merger. J.P. Morgan expressed no opinion as to the fairness of the consideration to the holders of any other class of securities, creditors or other constituencies of Pinnacle or as to the underlying decision by Pinnacle to engage in the merger. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The opinion does not constitute a recommendation to any stockholder of Pinnacle as to how such stockholder should vote with respect to the merger or any other matter.

For a description of the opinion that the Pinnacle Board received from J.P. Morgan, see the section of this joint proxy statement/prospectus entitled "The Merger Opinion of Pinnacle's Financial Advisor" and Annex J.

Financing of the Transactions (see page [])

Excluding the share issuance, Penn anticipates that the total amount of funds necessary to finance the merger and to pay transaction fees and expenses will be approximately \$2.3 billion. This amount is expected to be funded through a combination of available cash on hand, net proceeds from the Boyd divestitures, Plainridge real estate transaction and Belterra Park real estate transaction and borrowings under the 2018 Incremental Term Loan Facility (as defined and described below in "The Merger Financing of the Transactions"), borrowings under the 2018 Incremental Term Loan B Facility (as

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defined and described below in "The Merger Financing of the Transactions") and/or the issuance and sale by Penn of senior unsecured notes and/or borrowings under the Bridge Facility (as defined and described below in "The Merger Financing of the Transactions"). In connection with the transactions, Penn obtained debt financing commitments in the amount of \$1.98 billion. The merger, however, is not conditioned upon receipt of this or any other financing by Penn. For a more complete discussion of the financing of the transactions, see "The Merger Financing of the Transactions."

Interests of Certain Pinnacle Directors and Executive Officers in the Merger (see page [])

Pinnacle's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of the Pinnacle stockholders generally. The members of the Pinnacle board were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that Pinnacle stockholders adopt the merger agreement.

These interests include, among others, for executive officers who experience a qualifying termination of employment in connection with the merger:

A prorated annual bonus for the year of termination, based on actual performance;

A lump sum amount equal to two times the sum of the executive officer's (i) annual base salary in effect on the date of termination and (ii) the target annual bonus for the year of termination; and

Continued health benefits coverage for the executive officer and his or her dependents and disability coverage for the executive officer for 24 months.

Pinnacle's directors and executive officers currently hold or may hereafter be granted equity compensation awards under Pinnacle's 2016 Equity and Performance Incentive Plan (the "Pinnacle Incentive Plan"). In addition, Pinnacle's directors hold or may hereafter be granted phantom stock units under Pinnacle's Directors Deferred Compensation Plan. All of the equity compensation awards held by non-employee directors and a portion of the equity compensation awards held by employees (including executive officers) will vest as of the effective time (with the remainder of the awards held by employees (including executive officers) continuing to vest in accordance with their terms, provided that performance goals for all performance-based awards granted after December 17, 2017 will be deemed satisfied at target). See the section of this joint proxy statement/prospectus titled "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger" for a more detailed description of the interests of Pinnacle's executive officers and directors.

Board of Directors and Management of Penn Following Completion of the Merger (see page [])

Upon completion of the merger, the current directors and executive officers of Penn are expected to continue in their current positions, other than as may be publicly announced by Penn.

Certain U.S. Federal Income Tax Considerations (see page [])

For U.S. holders (as such term is defined in the section entitled "Certain U.S. Federal Income Tax Considerations"), the receipt of the merger consideration in exchange for shares of Pinnacle common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. Holders of Pinnacle common stock should consult their tax advisors regarding the particular tax consequences of the exchange of shares of Pinnacle common stock for the merger consideration pursuant to the merger in light of their particular circumstances (including the application and effect of any state, local or foreign income and other tax laws). For a more detailed discussion of certain U.S. federal income tax consequences of the merger to holders of Pinnacle common stock, please see the section entitled "Certain U.S. Federal Income Tax Considerations."

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Accounting Treatment (see page [])

Penn prepares its financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). The merger will be accounted for using the acquisition method of accounting with Penn being considered the acquirer of Pinnacle for accounting purposes. This means that Penn will allocate the purchase price to the fair value of Pinnacle's tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price (if any) being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually.

Regulatory Approvals Required to Complete the Merger (see page [])

The completion of the merger is subject to antitrust review in the United States. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the rules promulgated thereunder, the merger cannot be completed until Penn and Pinnacle have given notification and furnished information to the Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ"), and until the applicable waiting period has expired or has been terminated. A transaction requiring notification under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filing of their respective HSR Act Notification and Report Forms ("HSR Notification") or the early termination of that waiting period. If the FTC or DOJ issues a Request for Additional Information and Documentary Material (a "Second Request") prior to the expiration of the initial waiting period, the parties must observe a second 30-day waiting period, which would begin to run only after both parties have substantially complied with the Second Request, unless the waiting period is terminated earlier or the parties otherwise agree to extend the waiting period.

On January 9, 2018, Penn and Pinnacle each filed an HSR Notification with the FTC and DOJ. On February 8, 2018, Penn voluntarily withdrew its HSR Notification. Penn intends to refile its HSR Notification on February 9, 2018 and in any event prior to the second business day after withdrawal. Such voluntary withdrawal and refiling restarts the 30-calendar day waiting period under the HSR Act.

The completion of the merger is conditioned upon the receipt of state gaming approvals from the Colorado Limited Gaming Control Commission, the Indiana Gaming Commission, the Iowa Racing and Gaming Commission, the Mississippi Gaming Commission, the Missouri Gaming Commission, the Louisiana Gaming Control Board and the Nevada Gaming Commission, the Ohio Lottery Commission, the Ohio State Racing Commission, the Texas Racing Commission, the Pennsylvania Gaming Control Board and the Pennsylvania State Horse Racing Commission, as are necessary in order to allow Penn and its subsidiaries upon the consummation of the merger, to continue their operation of their subsidiaries' respective gaming activities (which shall not be considered to include any permits, approvals or licenses relating to the service of food or beverages or any other non-gaming activities, regardless of whether any such activities are conducted within the same physical space as gaming activities or in conjunction with such gaming activities).

Additionally, in connection with the stock consideration payable in the merger, the registration statement of which this joint proxy statement/prospectus forms a part must have been declared effective by the SEC.

Treatment of Pinnacle Equity Awards (see page [])

As of the effective time, each option to purchase shares of Pinnacle common stock, whether vested or unvested, will become fully vested and converted into the right to receive, in respect of each share of Pinnacle common stock subject to such option, an amount equal to the value of the merger consideration less the exercise price per share of Pinnacle common stock subject to such option, which will be paid in the same form as the merger consideration.

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As of the effective time, each award of Pinnacle restricted stock units (including phantom stock units, restricted stock units, other stock units, performance share grants, director other stock units, deferred shares under Pinnacle's Directors Deferred Compensation Plan and any other similar instruments) and each share of restricted stock of Pinnacle common stock that was, in each case, granted prior to December 17, 2017 (each a "pre-signing award") will become fully vested and will be converted into the right to receive the merger consideration for each share of Pinnacle common stock covered by such award. For pre-signing awards granted in 2016, applicable performance goals will be deemed satisfied based on actual performance. For pre-signing awards granted in 2017 (excluding awards granted on April 4), applicable performance goals for one-third of such awards will be deemed satisfied based on actual performance, extrapolated through the remainder of the performance period, and applicable performance goals for the remaining two-thirds of such awards will be deemed satisfied based on target performance. For pre-signing awards granted on April 4, 2017, applicable performance goals will be deemed satisfied in full.

All performance-based vesting criteria applicable to Pinnacle restricted stock units and Pinnacle restricted shares that are, in each case, granted on or after December 17, 2017 (each a "post-signing award") will be deemed satisfied based on target performance. At the effective time, (1) each post-signing award granted to a non-employee director of Pinnacle, (2) the first tranche of each post-signing award that has an annual vesting schedule and that is due to next vest following the effective time and (3) one-third of each other post-signing award will vest and convert into the right to receive the merger consideration for each share of Pinnacle common stock covered by such award. The remaining portion of each post-signing award referred to in clause (3) will be assumed by Penn and converted into a corresponding award covering shares of Penn common stock.

Listing of Penn Common Stock; Delisting of Pinnacle Common Stock (see page [])

It is a condition to the consummation of the merger that the shares of Penn common stock to be issued to Pinnacle stockholders in the merger be authorized for listing on the Nasdaq Global Select Market, subject to official notice of issuance. As a result of the merger, shares of Pinnacle common stock currently listed on the Nasdaq Global Select Market will cease to be listed on the Nasdaq Global Select Market.

Appraisal Rights and Dissenters' Rights (see page [])

Pinnacle stockholders are entitled to appraisal rights under Section 262 of the DGCL, provided they satisfy the special criteria and conditions set forth in Section 262 of the DGCL. Pinnacle common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Penn common stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

Under the Pennsylvania Business Corporation Law ("PBCL"), Penn shareholders are not entitled to dissenters' rights in connection with the merger or the other transactions contemplated by the merger agreement.

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No Solicitation of Alternative Proposals (see page [])

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the exceptions summarized below, each of Penn and Pinnacle has agreed that they will not, and will cause their respective subsidiaries and their respective representatives not to, directly or indirectly, (i) solicit, initiate or knowingly facilitate or knowingly encourage any inquiries regarding, or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to a competing proposal (as defined in "The Merger Agreement No Solicitation of Alternative Proposals"), (ii) engage in, continue or otherwise participate in any substantive discussions or negotiations regarding, or furnish to any other person any non-public information in connection with or for the purpose of encouraging or facilitating a competing proposal, or (iii) approve, recommend or enter into, or propose to approve, recommend or enter into, any letter of intent or similar document, agreement, commitment, or agreement in principle providing for a competing proposal.

The parties are permitted, prior to obtaining the applicable shareholder or stockholder approvals of the share issuance proposal and the merger agreement proposal, to engage in the activities described above solely with and to any person who has directly or indirectly made a bona fide, unsolicited written competing proposal if the party in receipt of the competing proposal is not in material breach of its non-solicitation obligations; however, (A) no non-public information may be furnished until the party receives an executed confidentiality agreement containing limitations on the use and disclosure of non-public information no less favorable to that party in the aggregate than the terms of the confidentiality agreement between Penn and Pinnacle; and (B) prior to taking any such actions, the party's board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such competing proposal is, or would reasonably be expected to lead to, a superior proposal (as defined in "The Merger Agreement No Solicitation of Alternative Proposals"), and that the failure to engage in such activities would be reasonably likely to be inconsistent with the board's fiduciary duties under applicable law.

Conditions to Completion of the Merger (see page [])

The obligations of Pinnacle and Penn to complete the merger are subject to the fulfillment or waiver (to the extent permissible under applicable laws) of the following mutual conditions:

adoption of the merger agreement proposal by Pinnacle's stockholders and approval of the share issuance proposal by Penn's shareholders;

absence of an injunction having been entered by any court or other tribunal of competent jurisdiction and continuing to be in effect and any law having been adopted or effective, in each case, prohibiting the consummation of the merger;

the registration statement on Form S-4 filed by Penn in connection with the share issuance having been declared effective by the SEC and no stop order suspending the effectiveness of such Form S-4 having been issued by the SEC and no proceedings for that purpose having been initiated or threatened by the SEC;

Penn common stock issued in the merger having been approved for listing on the Nasdaq Global Select Market, subject to official notice of issuance; and

any waiting period applicable to the merger under the HSR Act shall have expired or been terminated and all requisite gaming approvals shall have been obtained and be in full force and effect.

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The obligation of Pinnacle to effect the merger is also subject to the fulfillment or waiver by Pinnacle of the following additional conditions:

the accuracy of the representations and warranties of Penn and Merger Sub set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, both when made and as of the closing date of the merger (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties will be true and correct as of such specific date only), and Pinnacle's receipt of an officer's certificate from Penn to such effect;

performance of, or compliance with, as applicable, in all material respects, all obligations required to be performed and all covenants required to be complied with under the merger agreement by Penn and Merger Sub prior to the effective time of the merger, and Pinnacle's receipt of an officer's certificate from Penn to such effect; and

the absence, since the date of the merger agreement, of a parent material adverse effect, and Pinnacle's receipt of an officer's certificate from Penn to such effect.

The obligation of Penn and Merger Sub to effect the merger is also subject to the fulfillment or waiver by Penn of the following additional conditions:

the accuracy of the representations and warranties of Pinnacle set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, both when made and as of the closing date of the merger (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties will be true and correct as of such specific date only), and Penn's receipt of an officer's certificate from Pinnacle to such effect;

performance of, or compliance with, as applicable, in all material respects, all obligations required to be performed and all covenants required to be complied with under the merger agreement by Pinnacle prior to the effective time of the merger, and Penn's receipt of an officer's certificate from Pinnacle to such effect; and

the absence, since the date of the merger agreement, of a company material adverse effect, and Penn's receipt of an officer's certificate from Pinnacle to such effect.

As further discussed under the section titled "Risk Factors," neither Penn nor Pinnacle can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

None of Penn, Pinnacle or Merger Sub may rely, either as a basis for not consummating the merger or for terminating the merger agreement (as described below), on the failure of any condition set forth above, as the case may be, to be satisfied if such failure was caused by such party's willful and material breach of any material provision of the merger agreement.

Termination of the Merger Agreement (see page [])

Pinnacle and Penn may mutually agree to terminate the merger agreement before completing the merger, even after adoption of the merger agreement proposal by Pinnacle's stockholders or approval of the share issuance proposal by Penn's shareholders.

In addition, either Penn or Pinnacle may decide to terminate the merger agreement if:

the merger is not consummated by October 31, 2018 (such date, as may be extended as described below, the "end date")
(i) subject to one three-month extension by Penn to January 15, 2019, if (a) the only conditions not satisfied at such time relate to regulatory and other government approvals or (b) the marketing period will not have ended or not be deemed

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to have ended on or before October 31, 2018 and (ii) subject to an automatic extension to November 6, 2018, if the conditions that relate to regulatory and other government approvals are satisfied after October 17, 2018 but on or prior to October 31, 2018, and all other conditions are satisfied on or prior to October 31, 2018;

an injunction is entered permanently restraining, enjoining or otherwise prohibiting the consummation of the merger and such injunction shall have become final and non-appealable (provided that the right to terminate will not be available to a party if the injunction was due to the failure of the party to perform any of its obligations under the merger agreement);

the Pinnacle special meeting has concluded without adoption of the merger agreement proposal by Pinnacle's stockholders or if the Penn special meeting has concluded without approval of the share issuance proposal by Penn's shareholders; or

there has been a breach of the merger agreement by the other party or there has been a failure to perform any of its representations, warranties, covenants or agreements contained in the merger agreement, which breach or failure to perform, (i) if it occurred or was continuing to occur on the closing date, would result in a failure of a condition to close by such breaching party and (2) is incapable of being cured during the time period set forth in the merger agreement or, if curable, is not cured during the applicable cure period (subject to certain conditions).

Pinnacle may also terminate the merger agreement if, prior to Penn obtaining shareholder approval, the Penn board makes a parent adverse recommendation change (as defined in the section "The Merger Agreement No Solicitation of Alternative Proposals"). Penn may also terminate the merger agreement if, prior to the adoption of the merger agreement by Pinnacle's stockholders, the Pinnacle board makes a company adverse recommendation change (as defined in the section "The Merger Agreement No Solicitation of Alternative Proposals").

In addition, Pinnacle may terminate the merger agreement prior to the adoption of the merger agreement by Pinnacle's stockholders in order for Pinnacle to enter into an agreement with respect to a superior proposal (provided that contemporaneous with such termination Pinnacle tenders a termination fee payment to Penn).

Expenses and Termination Fees Relating to the Termination of the Merger Agreement (see page [])

Pinnacle will be obligated to pay Penn a termination fee of \$60 million in the following circumstances:

if Penn terminates the agreement prior to Pinnacle obtaining stockholder approval in the event of an adverse recommendation change by the Pinnacle board;

if Pinnacle terminates the agreement at any time prior to obtaining stockholder approval to enter into a superior proposal; or

if (i) Penn or Pinnacle terminates the merger agreement because Pinnacle's stockholders have failed to adopt the merger agreement, (ii) a competing proposal has been publicly announced or has become publicly known and has not been publicly withdrawn by a date that is at least fifteen (15) business days prior to the Pinnacle special meeting, and (iii) within twelve months of the termination of the merger agreement, Pinnacle enters into a definitive agreement with a third-party with respect to or consummates a transaction that is a competing proposal with a third-party.

Penn will be required to pay Pinnacle a termination fee of \$60 million if Pinnacle terminates the agreement, prior to Penn shareholder approval of the share issuance, in the event of an adverse recommendation change by Penn.

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Penn will be obligated to pay Pinnacle a regulatory termination fee of \$125 million in the following circumstances:

if either party terminates the agreement due to a final injunction related to either antitrust laws or gaming laws and/or approvals permanently preventing or prohibiting the consummation of the merger; or

if either party terminates the agreement due to the merger not having been consummated by the end date, and at that time, either (i) a permanent injunction in connection with a regulatory matter has been issued preventing the merger, or (ii) the parties have not yet obtained regulatory approvals and other conditions to the merger have been satisfied or are capable of being satisfied.

However, Penn will not be required to pay the regulatory termination fee to Pinnacle in the event Penn terminates the merger agreement due to a permanent injunction or a failure to close by the end date if such injunction or failure was primarily due to the material breach by Pinnacle of certain representations, warranties and covenants relating to Pinnacle's compliance with laws, efforts to obtain regulatory approvals and cooperation with Penn in connection with third-party agreements.

In addition, if either party terminates the merger agreement because the Pinnacle special meeting (including any adjournments or postponements thereof) has concluded and Pinnacle's stockholders have failed to adopt the merger agreement, Pinnacle shall pay Penn an expense payment of \$30 million. If either party terminates the merger agreement because the Penn special meeting (including any adjournments or postponements thereof) has concluded and Penn's shareholders have failed to approve the share issuance, Penn shall pay Pinnacle an expense payment of \$60 million.

In no event shall either party be entitled to receive more than one termination fee and one expense payment. If a party receives a termination fee, then such party will not be entitled to also receive an expense payment, and any expense payment shall be fully creditable against any subsequent payment of the termination fee. If Penn would be required to pay both the \$60 million termination fee and the \$125 million regulatory termination fee to Pinnacle, then Penn will only be required to pay the \$125 million regulatory termination fee to Pinnacle.

Specific Performance (see page [])

In addition to any other remedy that may be available to each party, including monetary damages, each of the parties will be entitled to an injunction or injunctions, or any other appropriate form of specific performance or equitable relief, to prevent breaches of the merger agreement and to enforce specifically its terms and provisions.

Expected Timing of the Merger (see page [])

The merger is expected to be completed in the second half of 2018. However, neither Penn nor Pinnacle can predict the actual date on which the merger will be completed, nor can the parties assure that the merger will be completed, because completion is subject to conditions beyond each party's control.

The Divestiture Agreement (see page [] and Annexes B-C)

The divestiture agreement provides that, upon the terms and subject to the conditions of the divestiture agreement, Boyd Purchaser will acquire the outstanding membership interests of the divestiture subsidiaries and certain other assets primarily related to the business of the divestiture subsidiaries and assume certain other liabilities related to the business of the divestiture subsidiaries. Upon the completion of the Boyd divestitures, Boyd Purchaser will own 100% of the outstanding membership interests of the divestiture subsidiaries which own and operate Ameristar St. Charles,

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Ameristar Kansas City, Belterra, and Belterra Park and will enter into the Boyd master lease pursuant which it will lease the real property associated with these casinos from Gold Merger Sub. The base purchase price for the Boyd divestitures is approximately \$574 million, which represents an estimate of the divestiture subsidiaries' EBITDA for the twelve-month period ending on December 31, 2017 multiplied by 6.25. Before the closing, the base purchase price will be adjusted to be an amount equal to the divestiture subsidiaries' actual EBITDA (as determined in accordance with the divestiture agreement) for the twelve-month period ending on December 31, 2017, as agreed to by Penn and Boyd or as finally determined by an independent accounting firm, multiplied by 6.25. The divestiture agreement is subject to the substitution or addition of modified or other terms and conditions as the FTC may require, and each party to the divestiture agreement has accordingly agreed to accept such changes to the divestiture agreement that the FTC requires, and to negotiate in good faith and execute promptly an appropriate amendment to the divestiture agreement to reflect such required changes, unless such changes (1) would reasonably be expected to have, in the aggregate, a material adverse effect with respect to the divestiture subsidiaries, (2) would require a change in the base purchase price, or (3) would adversely affect the economics of the Boyd divestitures (other than as a result of a requirement of a change in the base purchase price). Penn, Boyd and Boyd Purchaser are parties to the divestiture agreement. As of the date of this joint proxy statement/prospectus, Pinnacle and Pinnacle Tenant are not parties to the divestiture agreement and will only become parties to the divestiture agreement by signing a joinder at or prior to the closing of the Boyd divestitures.

The Real Estate Transaction Agreements (see page [] and Annexes D-H)

Belterra Park Real Estate Purchase Agreement. Pursuant to the Belterra Park real estate purchase agreement, Gold Merger Sub will acquire the Belterra Park real estate for a purchase price of approximately \$65 million (to be calculated as nine multiplied by the initial annual rent obligation of Boyd with respect to Belterra Park as of closing of the divestiture agreement) and Gold Merger Sub will lease back the property to Boyd Purchaser as part of the Boyd master lease. The consummation of the Belterra Park real estate transaction is conditioned upon, among other matters, the substantially simultaneous consummation of the divestiture agreement and the merger. The Belterra Park real estate purchase agreement contains certain termination rights that are generally subject to cure, as well as representations, warranties and covenants of the parties customary for a transaction of this nature. Pinnacle and the applicable divestiture subsidiary will become parties to the Belterra Park real estate purchase agreement by signing a joinder immediately prior to the closing.

Plainridge Real Estate Purchase Agreement. Pursuant to the Plainridge real estate purchase agreement, Gold Merger Sub will acquire the Plainridge real estate for a purchase price of \$250 million and lease it back to a tenant subsidiary of Penn pursuant to the amended Pinnacle master lease for annual rent of \$25 million. The Plainridge real estate will generally be treated the same as other properties subject to the Pinnacle master lease, except that the rent associated with the Plainridge real estate will not be subject to escalators, resets and rent coverage ratio calculations and will not be used in the calculation of escalators, resets or rent coverage ratios for the remainder of the properties subject to the Pinnacle master lease. The consummation of the Plainridge real estate transaction is conditioned upon, among other matters, the consummation of the merger. The Plainridge real estate purchase agreement contains certain termination rights that are generally subject to cure, as well as certain representations, warranties and covenants of the parties customary for a transaction of this nature.

Rent Allocation Agreement. Pursuant to the rent allocation agreement, Penn (through a subsidiary) and Gold Merger Sub have agreed to enter into the amended Pinnacle master lease, and Boyd Purchaser and Gold Merger Sub have agreed to enter into the Boyd master lease, subject to the satisfaction or waiver of the conditions precedent to the merger, the divestiture agreement and the Belterra Park real estate purchase agreement and such transactions being capable of completion

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substantially simultaneously with entry into such leases. The rent allocation agreement also sets forth the manner in which rent will be calculated for the purposes of the Pinnacle master lease and Boyd master lease upon closing of the divestiture agreement.

Landlord Consent Agreement. Under the landlord consent agreement, Gold Merger Sub has consented to the divestiture agreement, subject to the satisfaction or waiver of the conditions precedent to the merger, the divestiture agreement and the Belterra Park real estate purchase, and such transactions (as well as the Plainridge real estate acquisition) being capable of completion substantially simultaneously with the parties' entry into the Boyd master lease and the amended Pinnacle master lease, respectively.

Pinnacle Master Lease Amendment. The Pinnacle master lease amendment will revise the Pinnacle master lease in order to remove the properties being divested to Boyd and to incorporate the Plainridge real estate. In addition, the amended Pinnacle master lease will provide for an additional approximately \$13.9 million of annual fixed rent in order to better align with current market conditions. This \$13.9 million of rent, as well as the \$25 million of rent associated with the Plainridge real estate, will not be subject to adjustment and will be excluded from the calculation of the escalator in the Pinnacle master lease.

Comparison of Rights of Common Shareholders of Penn and Common Stockholders of Pinnacle (see page [])

Pinnacle stockholders receiving shares of Penn common stock in connection with the merger will have different rights once they become shareholders of Penn due to differences between laws of the Commonwealth of Pennsylvania and the State of Delaware and the governing corporate documents of Penn and Pinnacle. These differences are described in more detail under "Comparison of Rights of Common Shareholders of Penn and Common Stockholders of Pinnacle."

Risk Factors (see page [])

Before voting at the Pinnacle special meeting or the Penn special meeting, you should carefully consider all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, as well as the specific factors under the heading "Risk Factors."

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The following table sets forth Penn's selected consolidated historical financial information that has been derived from (1) Penn's consolidated financial statements as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, and (2) Penn's unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2017 and 2016. The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Penn nor does it include the effects of the merger. You should read this financial information together with Penn's consolidated financial statements, the related notes and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its Annual Report on Form 10-K as of and for the year ended December 31, 2016 filed on February 24, 2017, and Quarterly Report on Form 10-Q as of and for the quarter ended September 30, 2017 filed on November 3, 2017, each of which is incorporated into this joint proxy statement/prospectus by reference. In Penn's view, the unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the interim financial information. The selected balance sheet data as of September 30, 2016 has been derived from Penn's unaudited condensed consolidated financial statements as of September 30, 2016, which have not been incorporated into this joint proxy statement/prospectus by reference. For more information, see the section titled "Where You Can Find More Information."

	As of and for the Year Ended December 31,					Nine Months Ended September 30,	
	2016	2015(1)	2014(2)	2013(3)	2012(4)	2017(7)	2016
	(in thousands, except per share data)						
Income statement data:							
Net revenues	\$ 3,034,380	\$ 2,838,358	\$ 2,590,527	\$ 2,777,886	\$ 2,688,822	\$ 2,378,934	\$ 2,291,470
Total operating expenses	2,491,364	2,370,512	2,333,339	3,201,754	2,291,366	1,959,995	1,862,302
Income (loss) from continuing operations	543,016	467,846	257,188	(423,868)	397,456	418,939	429,168
Total other expenses	(422,399)	(411,236)	(410,491)	(202,509)	(72,429)	(358,057)	(315,825)
Income (loss) from continuing operations before income taxes	120,617	56,610	(153,303)	(626,377)	325,027	60,882	113,343
Income tax (benefit) provision	11,307	55,924	30,519	(33,580)	137,449	(750,641)	9,065
Net income (loss) from continuing operations including non-controlling interests	109,310	686	(183,822)	(592,797)	187,578	811,523	104,278
Income from discontinued operations net of tax				11,545	22,919		
Net income (loss) attributable to the shareholders of Penn	\$ 109,310	\$ 686	\$ (183,822)	\$ (581,252)	\$ 210,497	\$ 811,523	\$ 104,278
Per share data:							
Basic earnings (loss) per common share from continuing operations	\$ 1.21	\$ 0.01	\$ (2.34)	\$ (7.59)	\$ 1.98	\$ 8.93	\$ 1.16
Diluted earnings (loss) per common share from continuing operations	\$ 1.19	\$ 0.01	\$ (2.34)	\$ (7.59)	\$ 1.81	\$ 8.74	\$ 1.14
Basic earnings per common share from discontinued operations	N/A	N/A	N/A	0.15	0.24	N/A	N/A
Diluted earnings per common share from discontinued operations	N/A	N/A	N/A	0.15	0.22	N/A	N/A
Weighted shares outstanding Basic(5)	82,929	80,003	78,425	78,111	76,345	90,865	81,917
Weighted shares outstanding Diluted(5)	91,407	90,904	78,425	78,111	103,804	92,903	83,339
Other data:							
Net cash provided by operating activities	\$ 404,823	\$ 398,982	\$ 262,223	\$ 453,767	\$ 507,189	\$ 337,329	\$ 320,031
Net cash used in investing activities	(79,288)	(781,005)	(375,536)	(180,357)	(1,188,487)	(192,452)	(277,312)
	(333,034)	410,359	28,991	(240,882)	703,325	(109,480)	(77,960)

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Net cash (used in) provided by financing activities

Depreciation and amortization	271,214	259,461	266,742	303,404	233,407	205,688	200,105
Interest expense	459,243	443,127	425,114	159,897	82,124	350,000	345,548

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	As of and for the Year Ended December 31,					Nine Months Ended September 30,	
	2016	2015(1)	2014(2)	2013(3)	2012(4)	2017(7)	2016
	(in thousands, except per share data)						
Capital expenditures	97,245	199,240	228,145	196,600	467,795	70,242	65,913
Balance sheet data:							
Cash and cash equivalents	\$ 229,510	\$ 237,009	\$ 208,673	\$ 292,995	\$ 260,467	\$ 264,907	\$ 201,768
Total assets	4,974,484	5,138,752	4,624,551	4,467,587	5,619,383	5,569,401	5,251,679
Total financing obligation	3,514,080	3,564,628	3,611,513	3,534,809		3,553,259	3,526,709
Total debt(6)	1,415,534	1,710,959	1,241,430	1,044,995	2,719,508	1,318,691	1,670,957
Shareholders' (deficit) equity	(543,320)	(678,043)	(708,014)	(550,852)	2,241,590	260,012	(553,862)

- (1) For the year ended December 31, 2015, Penn recorded other intangible assets impairment charges of \$40.0 million related to the write-off of our Plainridge Park Casino gaming license and a partial write-down of the gaming license at Hollywood Gaming at Dayton Raceway due to a reduction in the long term earnings forecast at both of these locations.
- (2) During the fourth quarter of 2014, Penn recorded goodwill and other intangible assets impairment charges of \$155.3 million as Penn determined that a portion of the value of its goodwill and other intangible assets was impaired due to its outlook of continued challenging regional gaming conditions which persisted in 2014 at certain properties in its Midwest segment, as well as for the write-off of a trademark intangible asset in the South/West segment. During the second quarter of 2014, Penn recorded an impairment charge of \$4.6 million to write-down certain idle assets to their estimated salvage value. Interest expense on the master lease with GLPI financing obligation, which became effective November 1, 2013, was \$379.2 million for the year ended December 31, 2014.
- (3) Penn recorded impairment charges of \$724.2 million, which included the impact of the spin-off, during the year ended December 31, 2013. In addition, as a result of a new gaming license being awarded for the development of an additional casino in Sioux City, Iowa to another applicant in April 2013, Penn recorded an impairment charge of \$71.8 million for Argosy Casino Sioux City during the year ended December 31, 2013. Additionally, in conjunction with the relocation of Penn's two racetracks in Ohio, Penn recorded an impairment charge of \$2.2 million during the year ended December 31, 2013. Furthermore, for 2013, Penn incurred a \$61.7 million loss on the early extinguishment of debt, transaction costs associated with the spin-off of \$39.5 million, and interest expense on the master lease with GLPI financing obligation of \$62.1 million. Finally, Penn recorded a valuation allowance in the fourth quarter of 2013 of which \$90.3 million was recorded as income tax provision and \$599.9 million was recorded as part of the spin-off transaction.
- (4) During the year ended December 31, 2012, Penn incurred non-deductible lobbying costs of \$45.1 million associated with Penn's unsuccessful efforts to oppose an expansion of gaming in the State of Maryland and transaction costs associated with the spin-off of \$7.1 million.
- (5) Since Penn reported a loss from operations for the years ended December 31, 2014 and 2013, Penn was required to use basic weighted-average common shares outstanding, rather than diluted weighted-average common shares outstanding, when calculating diluted loss per share for those periods.
- (6) During the first quarter of 2015, Penn adopted ASU 2015-03 and retrospectively reclassified the amount of deferred financing fees previously recorded as an asset, to an offset to Penn long-term debt.
- (7) As of September 30, 2017, Penn determined that a valuation allowance was no longer required against its federal net deferred tax assets for the portion that will be realized. As a result, Penn released \$766.2 million of its total valuation allowance for the three months ended September 30, 2017 which resulted in a significant income tax benefit during the period.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF PINNACLE**

The following table sets forth Pinnacle's selected consolidated historical financial information that has been derived from (1) the consolidated financial statements of Pinnacle and its predecessor (which we refer to as "former Pinnacle"), as applicable, as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, and (2) the unaudited condensed consolidated financial statements of Pinnacle and former Pinnacle, as applicable, as of and for the nine months ended September 30, 2017 and 2016.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Pinnacle nor does it include the effects of the merger. Interim results for the nine months ended and as of September 30, 2017 are not necessarily indicative of, and are not projections for, the results to be expected for the fiscal year ending December 31, 2017. You should read this financial information together with Pinnacle's consolidated financial statements, the related notes and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its Annual Report on Form 10-K as of and for the year ended December 31, 2016 filed on February 28, 2017, and Quarterly Report on Form 10-Q as of and for the quarter ended September 30, 2017 filed on November 9, 2017, each of which is incorporated into this joint proxy statement/prospectus by reference. In Pinnacle's view, the unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the interim financial information. The selected statement of operations data and cash flow data for the years ended December 31, 2013 and 2012, and selected balance sheet data as of December 31, 2013 and 2012 have been derived from former Pinnacle's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference. The selected balance sheet data as of September 30, 2016 has been derived from Pinnacle's unaudited condensed consolidated financial statements as of September 30, 2016, which have not been incorporated into this joint proxy statement/prospectus by reference. For more information, see the section titled "Where You Can Find More Information."

	For the year ended December 31,					Nine Months Ended September 30,	
	2016(1)	2015(2)	2014(3)	2013(4)	2012(5)	2017	2016
	(in millions, except per share data)					(unaudited)	
Results of Operations:							
Revenues	\$ 2,378.9	\$ 2,291.9	\$ 2,210.5	\$ 1,487.8	\$ 1,002.8	\$ 1,941.0	\$ 1,741.4
Operating income (loss)	\$ (146.3)	\$ 301.2	\$ 310.5	\$ 104.4	\$ 136.7	\$ 329.2	\$ (230.9)
Income (loss) from continuing operations	\$ (457.9)	\$ 42.1	\$ 38.3	\$ (133.4)	\$ (13.2)	\$ 39.6	\$ (448.8)
Income (loss) from discontinued operations, net of income taxes	\$ 0.4	\$ 5.5	\$ 5.5	\$ (122.5)	\$ (18.6)		\$ 0.4
Net income (loss) from continuing operations per common share:							
Basic	\$ (7.80)	\$ 0.71	\$ 0.64	\$ (2.27)	\$ (0.22)	\$ 0.72	\$ (7.51)
Diluted	\$ (7.80)	\$ 0.68	\$ 0.62	\$ (2.27)	\$ (0.22)	\$ 0.66	\$ (7.51)
Other Data:							
Capital expenditures and land additions	\$ 97.9	\$ 84.0	\$ 230.8	\$ 292.6	\$ 299.5	\$ 56.4	\$ 73.1
Ratio of earnings to fixed charges(6)		1.2x	1.2x		1.0x	1.1x	

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	For the year ended December 31,					Nine Months Ended September 30,	
	2016(1)	2015(2)	2014(3)	2013(4)	2012(5)	2017	2016
	(in millions, except per share data)					(unaudited)	
Cash Flows Provided by (Used in):							
Operating activities	\$ 255.7	\$ 408.2	\$ 328.5	\$ 161.1	\$ 186.9	\$ 192.7	\$ 165.6
Investing activities	\$ (195.1)	\$ (79.9)	\$ 33.2	\$ (1,842.7)	\$ (302.1)	\$ (57.7)	\$ (167.5)
Financing activities	\$ (39.6)	\$ (329.0)	\$ (395.6)	\$ 1,778.5	\$ 136.7	\$ (175.7)	\$ (7.4)
Balance Sheet Data:							
Cash, restricted cash and equivalents(7)	\$ 188.9	\$ 164.0	\$ 170.3	\$ 203.5	\$ 100.5	\$ 147.6	\$ 158.7
Total assets	\$ 4,077.1	\$ 4,530.9	\$ 4,802.5	\$ 5,121.7	\$ 2,082.1	\$ 3,926.3	\$ 4,101.2
Long-term debt less current portion	\$ 924.4	\$ 3,616.7	\$ 3,944.4	\$ 4,326.4	\$ 1,410.4	\$ 814.1	\$ 936.0
Long-term financing obligation less current portion	\$ 3,113.5	\$	\$	\$	\$	\$ 3,091.6	\$ 3126.6
Total stockholders' equity (deficit)	\$ (372.9)	\$ 363.5	\$ 289.4	\$ 225.2	\$ 447.1	\$ (343.8)	\$ (356.9)

- (1) The results of operations and financial position for 2016 include the impact of the spin-off and merger transactions with GLPI in April 2016; including the termination of Pinnacle's former senior secured credit facilities, early redemption of Pinnacle's senior notes and senior subordinated notes, Pinnacle's entry into new senior secured credit facilities and issuance of 5.625% notes; and the acquisition of PA Meadows, LLC ("Meadows") in September 2016. In connection with these transactions, Pinnacle incurred a \$321.3 million impairment charge to goodwill, a \$129.5 million impairment charge related to other intangible assets, a \$5.2 million loss on early extinguishment of debt, \$22.6 million of incremental share-based compensation expense attributable to the accelerated vesting of equity awards and \$55.1 million in costs associated with the spin-off and merger transactions with GLPI and the acquisition of Meadows. Additionally, as a result of Pinnacle's 2016 annual assessment for impairment, Pinnacle recognized non-cash impairments of goodwill and gaming licenses in the amounts of \$1.2 million and \$17.0 million, respectively.
- (2) The results of operations for 2015 include the impact of a \$4.7 million impairment charge to goodwill, a \$33.9 million impairment charge related to other intangible assets, a gain of \$8.4 million related to the sale of approximately 40 acres of land in Springfield, Massachusetts, and a gain of \$4.8 million related to the sale of approximately 783 acres of excess land associated with Pinnacle's former Boomtown Reno operations. Pinnacle's financial position reflects the redemption of \$336.5 million of net aggregate principal amount of debt under Pinnacle's former senior secured credit facilities during the year.
- (3) The results of operations for 2014 include the full year impact of the acquisition of Ameristar Casinos, Inc. ("Ameristar"). In addition, the results of operations include Belterra Park, which opened on May 1, 2014. In addition, Pinnacle's results of operations and financial position reflect the redemption of \$514.3 million of aggregate principal amount of term loans, for a net reduction in total debt of \$401.3 million under Pinnacle's former senior secured credit facilities, a portion of which resulted in an \$8.2 million loss on early extinguishment of debt.
- (4) The results of operations for 2013 include the impact of the acquisition of Ameristar in August 2013. In addition, Pinnacle incurred \$85.3 million in costs associated with the acquisition of Ameristar, a \$30.8 million loss on early extinguishment of debt, a \$144.6 million charge to

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discontinued operations for the impairment of the Lumière Place Casino and Hotels classified as held for sale in 2013, a \$10.0 million charge related to the impairment of Pinnacle's Boomtown Bossier City gaming license, a tax benefit from the release of \$58.4 million of Pinnacle's valuation allowance as a result of the consolidation of Pinnacle's deferred tax assets with Ameristar's deferred tax liabilities, and a \$92.2 million impairment of Pinnacle's investment in ACDL.

- (5) The results of operations for 2012 include the opening of L'Auberge Baton Rouge on September 1, 2012. In addition, Pinnacle incurred a \$20.7 million loss on early extinguishment of debt, a \$10.2 million charge related to cash and land donation commitments made for various projects in the city of St. Louis to satisfy obligations under Pinnacle's redevelopment agreement, and a \$25.0 million impairment of Pinnacle's investment in ACDL.
- (6) In computing the ratio of earnings to fixed charges: (x) earnings were pre-tax income (loss) from continuing operations before losses from equity method investments and fixed charges, excluding capitalized interest; and (y) fixed charges were the sum of interest expense, amortization of debt issuance costs and debt discount/premium, capitalized interest and the estimated interest component included in rental expense. Due principally to Pinnacle's large non-cash charges deducted to compute such earnings, earnings so calculated were less than fixed charges by (i) \$99.5 million and \$485.9 million for the years ended December 31, 2013 and December 31, 2016, respectively and (ii) \$475.3 million for the nine month period ended September 30, 2016.
- (7) Excludes amounts of cash and cash equivalents associated with entities and operations included in discontinued operations in the respective year.

Table of Contents**SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF PENN**

The following selected unaudited pro forma condensed combined balance sheet data gives effect to the proposed merger, the Boyd divestitures and the real estate transactions as if they had occurred on September 30, 2017 while the unaudited pro forma condensed combined statement of operations data for the nine months ended September 30, 2017 and the year ended December 31, 2016 is presented as if the pro forma events had occurred on January 1, 2016.

The following selected unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the pro forma events occurred as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "Risk Factors." The following selected unaudited pro forma condensed combined financial information should be read in conjunction with the section titled "Unaudited Pro Forma Condensed Combined Financial Statements" and related notes included in this joint proxy statement/prospectus.

Summary Unaudited Pro Forma Condensed Statement of Combined Operations Data (in thousands):	Nine Months	
	Ended September 30, 2017	Year Ended December 31, 2016
Net Revenues	\$ 3,810,807	\$ 4,736,653
Total operating expenses	3,147,001	4,251,421
Income from operations	663,806	485,232
Total other expenses	608,698	766,077
Income (loss) from operations before income taxes	55,108	(280,845)
Income tax (benefit) provision	22,594	(115,147)
Net income (loss) attributable to shareholders	33,667	(165,228)

Summary Unaudited Pro Forma Condensed Combined Balance Sheet Data (in thousands)	As of	
	September 30, 2017	
Total current assets	\$ 577,401	
Property and equipment, net	5,597,726	
Total assets	12,159,494	
Total current liabilities	720,671	
Long-term financing obligation to GLPI, net of current portion	6,357,184	
Total long-term liabilities	10,406,486	
Total shareholders' equity (deficit)	1,032,337	

Table of Contents**UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The following table shows per share data regarding net income (loss) from continuing operations, book value per share and cash dividends for Penn and Pinnacle on a historical and pro forma combined basis after giving effect to the merger, the Boyd divestitures and the real estate transactions. The pro forma net income (loss) from continuing operations information was compared as if the transactions had been completed on January 1, 2016. The pro forma book value per share information was computed as if the transactions had been completed on September 30, 2017.

The following comparative per share data is derived from the historical (condensed) consolidated financial statements of each of Penn and Pinnacle. The information below should be read in conjunction with the "Unaudited Pro Forma Condensed Consolidated Combined Financial Statements" beginning on page [].

	Nine Months Ended September 30, 2017 (Unaudited)	Year Ended December 31, 2016
Penn Historical per Common Share Data		
Net income (Loss) Per Share, Basic	\$ 8.93	\$ 1.21
Net income (Loss) Per Share, Diluted	\$ 8.74	\$ 1.19
Book Value Per Share(1)	\$ 2.86	\$ (6.55)
Cash Dividends Per Share	\$	\$
Pinnacle Historical per Common Share Data		
Net income (Loss) Per Share, Basic	\$ 0.72	\$ (7.80)
Net income (Loss) Per Share, Diluted	\$ 0.66	\$ (7.80)
Book Value Per Share(1)	\$ (6.09)	\$ (6.35)
Cash Dividends Per Share	\$	\$
Unaudited Pro Forma Combined per Penn Common Share Data		
Net income (Loss) Per Share, Basic	\$ 0.29	\$ (1.52)
Net income (Loss) Per Share, Diluted	\$ 0.28	\$ (1.52)
Book Value Per Share(1)	\$ 8.84	N/A
Cash Dividends Per Share	\$	\$
Unaudited Pro Forma Combined per Pinnacle Equivalent Share Data		
Net income (Loss) Per Share, Basic(2)	\$ 0.12	\$ (0.64)
Net income (Loss) Per Share, Diluted(2)	\$ 0.12	\$ (0.64)
Book Value Per Share(1)	\$ 3.71	N/A
Cash Dividends Per Share(2)	\$	\$

Notes

- (1) Amount is calculated by dividing shareholders' equity (deficit) by weighted average basic shares outstanding. Pro forma combined book value per share as of December 31, 2016 is not applicable as the estimated pro forma adjustments were calculated as of September 30, 2017.
- (2) Amounts calculated by multiplying unaudited pro forma combined per share amounts by the exchange ratio.

Table of Contents**COMPARATIVE STOCK PRICE DATA AND DIVIDENDS****Stock Prices**

Penn's common stock is listed on the Nasdaq Global Select Market under the symbol "PENN." Pinnacle's common stock is listed on the Nasdaq Global Select Market under the symbol "PNK." The following table sets forth the closing sales prices per share of Penn common stock and Pinnacle common stock, on an actual and equivalent per share basis, on the Nasdaq Global Select Market on the following dates:

December 15, 2017, the last full trading day before the public announcement of the merger, and

[], 2018, the last trading day for which this information could be calculated before the date of this joint proxy statement/prospectus.

	Penn Common Stock	Pinnacle Common Stock	Penn Equivalent Per Share(1)
December 15, 2017	\$ 29.69	\$ 30.95	\$ 32.47
[], 2018	\$ []	\$ []	\$ []

(1)

The equivalent per share data for Penn common stock has been determined by multiplying the market price of one share of Penn common stock on each of the dates by the exchange ratio of 0.42 and adding the \$20.00 per share cash consideration.

The following table sets forth, for the periods indicated, the high and low sales prices per share of Penn common stock and Pinnacle common stock as reported on the Nasdaq Global Select Market, and cash dividends declared for the same periods. Neither company has paid a cash dividend in any period presented.

Penn Common Stock

	High	Low
Fiscal Year Ending December 31, 2018		
First Quarter (through [], 2018)	\$ []	\$ []
Fiscal Year Ended December 31, 2017		
Fourth Quarter	\$ 31.65	\$ 22.74
Third Quarter	\$ 23.55	\$ 19.98
Second Quarter	\$ 22.19	\$ 17.56
First Quarter	\$ 18.84	\$ 13.00
Fiscal Year Ended December 31, 2016		
Fourth Quarter	\$ 14.78	\$ 11.93
Third Quarter	\$ 15.17	\$ 12.50
Second Quarter	\$ 17.40	\$ 13.45
First Quarter	\$ 16.72	\$ 12.51

Table of Contents**Pinnacle Common Stock**

	High	Low
Fiscal Year Ending December 31, 2018		
First Quarter (through [], 2018)	\$ []	\$ []
Fiscal Year Ending December 31, 2017		
Fourth Quarter	\$ 33.59	\$ 21.22
Third Quarter	\$ 21.46	\$ 18.30
Second Quarter	\$ 22.10	\$ 18.78
First Quarter	\$ 19.66	\$ 13.61
Fiscal Year Ended December 31, 2016(1)		
Fourth Quarter	\$ 15.03	\$ 11.36
Third Quarter	\$ 12.71	\$ 10.41
Second Quarter	\$ 11.90	\$ 9.72
First Quarter		

(1)

In connection with the acquisition of its real property by GLPI, Pinnacle was listed on the Nasdaq Global Select Market and began trading on April 29, 2016.

As of [], 2018, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, there were [] shares of Penn common stock outstanding and approximately [] holders of record of Penn common stock, and [] shares of Pinnacle common stock outstanding and approximately [] holders of record of Pinnacle common stock.

Because the exchange ratio will not be adjusted for changes in the market price of either Penn common stock or Pinnacle common stock, the market value of the shares that holders of Pinnacle common stock will have the right to receive on the date the merger is completed may vary significantly from the market value of the shares of Penn common stock that holders of Pinnacle common stock would receive if the merger were completed on the date of this joint proxy statement/prospectus. As a result, you should obtain recent market prices of Penn common stock and Pinnacle common stock prior to voting your shares. See "Risk Factors Risks Relating to the Merger."

Dividends

Since its initial public offering, Penn has not declared any dividends and does not anticipate declaring or providing any cash dividends to holders of Penn common stock in the foreseeable future. In addition, the merger agreement prohibits Penn, without Pinnacle's prior written consent, from paying dividends to holders of Penn common stock until the earlier of the effective time and the termination of the merger agreement in accordance with its terms.

Pinnacle does not currently pay a dividend and does not anticipate declaring or providing any cash dividends to holders of Pinnacle common stock in the foreseeable future. In addition, the merger agreement prohibits Pinnacle, without Penn's prior written consent, from paying dividends to holders of Pinnacle common stock until the earlier of the effective time and the termination of the merger agreement in accordance with its terms.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus may contain certain forward-looking statements, including certain plans, expectations, goals, projections, and statements about the benefits of the proposed transaction, Penn and Pinnacle's plans, objectives, expectations and intentions, the expected timing of completion of the transaction, and other statements that are not historical facts. Such statements are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements may be identified by words such as "expect," "anticipate," "believe," "intend," "estimate," "plan," "target," "goal," or similar expressions, or future or conditional verbs such as "will," "may," "might," "should," "would," "could," or similar variations. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Private Securities Litigation Reform Act of 1995.

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements, including:

risks related to the acquisition of Pinnacle by Penn and the integration of the businesses and assets to be acquired;

the possibility that the proposed transaction does not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all;

the risk that the financing required to fund the transaction is not obtained on the terms anticipated or at all;

the possibility that the Boyd and/or GLPI transactions do not close in a timely fashion or at all;

potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction;

potential litigation relating to the transaction;

the possibility that the anticipated synergies and other benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or issues arising from, the integration of the two companies;

the possibility that the anticipated divestitures are not completed in the anticipated timeframe or at all;

the possibility that additional divestitures may be required;

the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors, events or delays (which, among other things, could result in Penn being required to pay an additional \$0.01 per share of Pinnacle common stock per day if the merger is consummated after October 31, 2018);

diversion of management's attention from ongoing business operations and opportunities; and

risks associated with increased leverage from the transaction.

Additional factors that could cause actual results to differ materially from those indicated by the forward-looking statements include those discussed in the section entitled "Risk Factors," as well as those set forth in Penn and Pinnacle's respective most recent Annual Reports on Form 10-K, Quarterly

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Reports on Form 10-Q and Current Reports on Form 8-K as filed with the Securities and Exchange Commission. See the section entitled "Where You Can Find More Information."

Penn and Pinnacle caution that the foregoing list of factors is not exhaustive, and other unknown or unpredictable factors may also cause actual results to differ materially from those projected by the forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond the control of Penn and Pinnacle. Neither Penn nor Pinnacle undertakes any obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required to do so by law.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section titled "Cautionary Statements Regarding Forward-Looking Statements," you should carefully consider the following risk factors before deciding whether to vote for any of the proposals at the Penn special meeting or the Pinnacle special meeting, including the merger agreement proposal, in the case of Pinnacle stockholders, or the share issuance proposal, in the case of Penn shareholders. In addition, you should read and consider the risks associated with each of the businesses of Pinnacle and Penn because these risks will relate to the combined company following the completion of the merger. Descriptions of some of these risks can be found in the Annual Reports of Penn and Pinnacle on Form 10-K for the fiscal year ended December 31, 2016, and any amendments thereto for each of Penn and Pinnacle, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement/prospectus. You should also consider the other information in this document and the other documents incorporated by reference into this document. See the section titled "Where You Can Find More Information."

Risks Relating to the Merger

Because the exchange ratio is fixed and the market prices of Penn common stock and Pinnacle common stock may fluctuate, Pinnacle stockholders cannot be sure of the value of the Penn common stock they will receive on the closing date.

At the effective time, each share of Pinnacle common stock (other than excluded shares) will be converted into the right to receive 0.42 of a share of Penn common stock and \$20.00 in cash (plus, if the merger is not consummated on or prior to October 31, 2018, \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger), without interest and subject to applicable withholding taxes. If applicable, the exchange ratio will be adjusted appropriately to fully reflect the effect of any stock dividend, subdivision, stock split, reclassification, reorganization or other similar change with respect to the shares of either Penn common stock or Pinnacle common stock prior to the completion of the merger. The exchange ratio will not, however, be adjusted for changes in the market price of either Penn common stock or Pinnacle common stock between the date of signing the merger agreement and the effective time. Accordingly, at the time of the Penn special meeting and at the time of the Pinnacle special meeting, neither Penn shareholders nor Pinnacle stockholders will know, or be able to determine, the value of Penn common stock to be issued in connection with the merger. For that reason, the market price of Penn common stock on the date of the Penn special meeting and the Pinnacle special meeting may not be indicative of the value of Penn common stock that Pinnacle stockholders will receive upon completion of the merger.

The market prices of Penn common stock and Pinnacle common stock are subject to general price fluctuations in the market for publicly traded equity securities and have experienced volatility in the past. Neither Penn nor Pinnacle is permitted to terminate the merger agreement or resolicit the vote of Penn shareholders or Pinnacle stockholders, as applicable, solely because of changes in the market prices of either company's common stock. Stock price changes may result from a variety of factors, including general market and economic conditions and changes in the respective businesses, operations and prospects, and regulatory considerations of Penn and Pinnacle. Market assessments of the benefits of the proposed merger and the likelihood that the transactions will be completed, as well as general and industry-specific market and economic conditions, may also affect market prices of Penn common stock and Pinnacle common stock. Many of these factors are beyond Penn's and Pinnacle's control. Pinnacle stockholders should obtain current market quotations for shares of Penn common stock and for shares of Pinnacle common stock.

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The market value of Penn common stock could be negatively affected by risks and conditions that apply to Penn, which may be different from the risks and conditions applicable to Pinnacle, and Penn shareholders will have different rights than Pinnacle stockholders.

Following the merger, Penn shareholders and former Pinnacle stockholders will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. The business of Penn and its subsidiaries and other companies it may acquire in the future are different from those of Pinnacle. There is a risk that various factors, conditions and developments that would not affect the price of Pinnacle common stock could negatively affect the price of Penn common stock. Current Penn shareholders and Pinnacle stockholders may not wish to continue to invest in the combined company, or may wish to reduce their investment in the combined company, including in order to comply with institutional investing guidelines or regulatory licensing requirements, to increase diversification, to track any rebalancing of stock indices in which Penn common stock is included, to respond to the risk profile of the combined company or to realize a gain. In addition, if, following the merger, large amounts of Penn common stock are sold, the price of Penn common stock could decline.

Holders of shares of Penn common stock will have rights as Penn shareholders that differ from the rights they had as Pinnacle stockholders before the merger. For a detailed comparison of the rights of Penn shareholders to the rights of Pinnacle stockholders, see "Comparison of Rights of Common Shareholders of Penn and Common Stockholders of Pinnacle."

The transactions contemplated by the merger agreement are subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all. Failure to complete the transactions contemplated by the merger agreement, including the merger, could have material and adverse effects on Penn and Pinnacle.

Completion of the merger is subject to a number of conditions, including the approval by Penn shareholders of the share issuance proposal and approval by Pinnacle stockholders of the merger agreement proposal, which make the completion and timing of the completion of the transactions uncertain. See the section titled "The Merger Agreement Conditions to Completion of the Merger" for a more detailed discussion. Also, either Penn or Pinnacle may terminate the merger agreement if the merger has not been consummated on or prior to October 31, 2018 or, at Penn's discretion (i) if the only conditions to closing that have not been satisfied or waived by that date are those related to the termination or expiration of any waiting period under the HSR Act, the receipt of certain approvals from state gaming authorities, or the issuance of an order, decree, ruling, injunction or other action that is in effect and is restraining, enjoining or otherwise prohibiting the consummation of the merger; or (ii) Pinnacle had not furnished certain financial information to Penn as of ten business days prior to October 31, 2018 January 15, 2019, except that this right to terminate the merger agreement will not be available to any party whose material breach of a representation, warranty, covenant or other agreement of such party under the merger agreement resulted in the failure of the transactions to be consummated on or before that date. Additionally, if, on or prior to October 17, 2018, the only conditions to closing that have not been satisfied or waived by that date are those related to the termination or expiration of any waiting period under the HSR Act, the receipt of certain approvals from state gaming authorities, or the issuance of an order, decree, ruling, injunction or other action that is in effect and is restraining, enjoining or otherwise prohibiting the consummation of the merger, and these conditions are satisfied on or prior to October 31, 2018, then without action by either Penn or Pinnacle the deadline for consummating the merger will be automatically extended to November 6, 2018.

If the merger is not consummated on or prior to October 31, 2018, an additional \$0.01 will be paid to Pinnacle stockholders for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger.

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If the transactions contemplated by the merger agreement are not completed, Penn's and Pinnacle's respective ongoing businesses may be adversely affected and, without realizing any of the benefits of having completed the transactions, Penn and Pinnacle will be subject to a number of risks, including the following:

Penn and Pinnacle will be required to pay their respective costs relating to the transactions, such as legal, accounting, financial advisory and printing fees, whether or not the transactions are completed;

time and resources committed by Penn's and Pinnacle's management to matters relating to the transactions could otherwise have been devoted to pursuing other beneficial opportunities;

the market price of Penn common stock or Pinnacle common stock could decline to the extent that the current market price reflects a market assumption that the transactions will be completed;

if the merger agreement is terminated and the Pinnacle board seeks another business combination, Pinnacle stockholders cannot be certain that Pinnacle will be able to find a party willing to enter into a transaction agreement on terms equivalent to or more attractive than the terms agreed to in the merger agreement; and

if the merger agreement is terminated and the Penn board seeks another acquisition, Penn shareholders cannot be certain that Penn will be able to find a party willing to enter into a transaction as attractive to Penn as the acquisition of Pinnacle.

The merger agreement contains provisions that limit Pinnacle's and Penn's ability to pursue alternatives to the transactions, could discourage a potential competing acquirer of Pinnacle or Penn from making a favorable alternative transaction proposal and, in specified circumstances, could require Pinnacle or Penn to pay the other party a termination fee of \$60 million.

The merger agreement contains certain provisions that restrict Pinnacle's and Penn's ability to initiate, solicit or knowingly encourage or knowingly facilitate any inquiries, proposals, or offers regarding, or the making of a competing proposal, engage in any discussions or negotiations with respect to a competing proposal or furnish any non-public information to any person in connection with a competing proposal. Further, even if the Pinnacle board or the Penn board changes, withholds, modifies, withdraws or qualifies its recommendation with respect to the merger agreement proposal or the share issuance proposal, as applicable, unless the merger agreement has been terminated in accordance with its terms, both parties will still be required to submit the merger agreement proposal and the share issuance proposal, as applicable, to a vote at the special meeting. In addition, the other party generally has an opportunity to offer to modify the terms of the transactions contemplated by the merger agreement in response to any third-party alternative transaction proposal before a party's board of directors may change, withhold, modify, withdraw or qualify its recommendation with respect to the merger agreement proposal or the share issuance proposal, as applicable. In some circumstances, upon termination of the merger agreement, Pinnacle or Penn will be required to pay a termination fee of \$60 million to the other party. See the sections entitled "The Merger Agreement No Solicitation of Alternative Proposals," "The Merger Agreement Termination of the Merger Agreement" and "The Merger Agreement Expenses and Termination Fees Relating to the Termination of the Merger Agreement."

These provisions could discourage a potential third-party acquirer or merger partner that might have an interest in acquiring all or a significant portion of Pinnacle or Penn or pursuing an alternative transaction with either from considering or proposing such a transaction, even if, in the case of an acquisition of Pinnacle, it were prepared to pay consideration with a higher per share price than the per share price proposed to be received in the merger or might result in a potential third-party

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acquirer or merger partner proposing to pay a lower price to the stockholders of Pinnacle or the shareholders of Penn than it might otherwise have proposed to pay because of the added expense of the \$60 million termination fee that may become payable in certain circumstances.

Pinnacle's executive officers and directors have interests in the transactions that may be different from, or in addition to, the interests of Pinnacle stockholders generally.

When considering the recommendation of the Pinnacle board with respect to the merger, you should be aware that Pinnacle's executive officers and directors may have interests in the merger that are different from, or in addition to, those of Pinnacle's stockholders more generally. The Pinnacle board was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that Pinnacle stockholders vote for the adoption of the merger agreement at the Pinnacle special meeting.

Upon completion of the merger, each outstanding restricted stock unit award or performance stock unit award in respect of Pinnacle common stock will be treated as described in "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger."

See the section of this joint proxy statement/prospectus entitled "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger" for a more detailed description of the interests of Pinnacle's executive officers and directors.

Pinnacle and Penn will be subject to business uncertainties while the merger is pending, which could adversely affect their business.

In connection with the pendency of the transactions, it is possible that certain persons with whom Pinnacle and Penn have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Pinnacle or Penn, as the case may be, as a result of the transactions, which could negatively affect Pinnacle's or Penn's revenues, earnings and cash flows, as well as the market price of Pinnacle's or Penn's respective common stock, regardless of whether the merger is completed.

Under the terms of the merger agreement, each of Pinnacle and Penn are subject to certain restrictions on the conduct of its business prior to the effective time, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures, as applicable. Such limitations could negatively affect Pinnacle's and Penn's businesses and operations prior to the completion of the transactions.

The merger is subject to the receipt of approvals, consents or clearances from regulatory authorities that may impose conditions that could have an adverse effect on Penn or Pinnacle or, if not obtained, could prevent completion of the transactions or, in some circumstances, require Penn to pay Pinnacle a termination fee of \$125 million.

Completion of the merger is subject to various closing conditions, including (a) Pinnacle's stockholders adopting the merger agreement at the Pinnacle Special Meeting, (b) Penn's shareholders approving the share issuance at the Penn Special Meeting, (c) the expiration or termination of any applicable waiting period under the HSR Act, and (d) obtaining certain gaming approvals to the standards set forth in the merger agreement. If such conditions are not satisfied, the merger will not be consummated unless such conditions are validly waived. Such conditions may jeopardize or delay completion of the merger or may reduce the anticipated benefits of the merger. Further, no assurance can be given that the required consents and approvals will be obtained or that the required conditions to closing will be satisfied. Additionally, in certain circumstances, if the merger agreement is terminated

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as a result of the failure to obtain the requisite antitrust and gaming law approvals, Penn will be forced to pay Pinnacle a termination fee of \$125 million.

Even if all such consents and approvals are obtained, no assurance can be given as to the terms, conditions and timing of the consents and approvals or that they will satisfy the terms of the merger agreement. Please refer to "The Merger Agreement Conditions to Completion of the Merger" beginning on page [] for a discussion of the conditions to the completion of the merger and the parties' obligations to cooperate (including certain limitations thereon) with respect to the receipt of certain consents and approvals. If the merger is not completed by October 31, 2018, assuming that neither Penn nor Pinnacle elect to extend this deadline as contemplated by the merger agreement, either Penn or Pinnacle may terminate the merger agreement. Please refer to "The Merger Agreement Termination of the Merger Agreement" beginning on page [].

Antitrust approvals that are required to consummate the merger may not be received, may take longer than expected or may impose conditions that are not presently anticipated.

Under the provisions of the HSR Act, the merger may not be completed until Penn and Pinnacle have given notification and furnished information to the FTC and DOJ and until the applicable waiting period has expired or been terminated. A transaction requiring notification under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filing of their respective HSR Act Notification and Report Forms or the early termination of that waiting period. If the FTC or DOJ issues a Second Request prior to the expiration of the initial waiting period, the parties must observe a second 30-day waiting period, which would begin to run only after both parties have substantially complied with the Second Request, unless the waiting period is terminated earlier or the parties otherwise agree to extend the waiting period.

The FTC, DOJ, state attorneys general, and others may challenge the merger on antitrust grounds either before or after the expiration or termination of the applicable waiting period. Accordingly, at any time before or after the completion of the merger, any of the FTC, the DOJ or others could take action under the antitrust laws, including without limitation seeking to enjoin the completion of the merger or permitting completion subject to regulatory concessions or conditions. Although Penn and Pinnacle believe the consummation of the merger will not likely be prevented by antitrust laws, there can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if a challenge is made, what the result will be. Under the merger agreement, Penn and Pinnacle have agreed to use their reasonable best efforts to obtain all regulatory clearances necessary to consummate the merger at the earliest practicable date.

In addition, in order to consummate the merger, Penn and Pinnacle may be required to comply with conditions, terms, obligations or restrictions imposed by regulatory entities and such conditions, terms, obligations or restrictions may have the effect of delaying completion of the merger, imposing additional material costs on or materially limiting the revenue of Penn after the completion of the merger, or otherwise reducing the anticipated benefits to Penn and Pinnacle of the merger. In addition, such conditions, terms, obligations or restrictions may result in the delay or abandonment of the merger.

Gaming regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met.

Penn and Pinnacle must obtain approval of the merger, which approvals must be duly obtained without the imposition of material restrictions or conditions and be in full force and effect, from the Colorado Limited Gaming Control Commission, the Indiana Gaming Commission, the Iowa Racing and Gaming Commission, the Mississippi Gaming Commission, the Missouri Gaming Commission, the Louisiana Gaming Control Board and the Nevada Gaming Commission, the Ohio Lottery Commission,

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the Ohio State Racing Commission, the Texas Racing Commission, the Pennsylvania Gaming Control Board and the Pennsylvania State Horse Racing Commission, as are necessary in order to allow Parent and its Subsidiaries, including the Surviving Corporation, upon the consummation of the Merger, to continue their operation of their Subsidiaries' respective gaming activities (which shall not be considered to include any permits, approvals or licenses relating to the service of food or beverages or any other non-gaming activities, regardless of whether any such activities are conducted within the same physical space as gaming activities or in conjunction with such gaming activities). See section entitled "The Merger Regulatory Approvals."

These regulatory and governmental entities may impose conditions on the granting of such approvals and if such regulatory and governmental entities seek to impose such conditions, lengthy negotiations may ensue among such regulatory or governmental entities, Penn and Pinnacle. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger and such conditions may not be satisfied for an extended period of time following the Penn special meeting and Pinnacle special meeting. Such conditions may also impose additional costs or limitations on the combined company following the completion of the merger, including the requirement that the respective Penn and Pinnacle businesses divest additional assets if necessary in order to obtain certain regulatory approvals, and may limit the ability of the combined company to integrate parts of the Penn and Pinnacle businesses and negatively impact the ultimate composition of the entities we expect to constitute in connection with the intended business separations. These conditions may therefore reduce the anticipated benefits of the merger, which could also have a material adverse effect on the combined company's business and cash flows and results of operations, and neither Penn nor Pinnacle can predict what, if any, changes may be required by regulatory or governmental authorities whose approvals are required. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger. In addition, the respective obligations of Penn and Pinnacle to complete the merger are conditioned on the receipt of certain regulatory approvals or waiver by the other party of such condition. See the section entitled "The Merger Agreement Conditions to Completion of the Merger."

Failure to complete the Boyd divestitures or the real estate transactions could require Penn to pursue alternative divestiture transactions and/or seek alternative arrangements with GLPI in order to facilitate the merger, which alternative transactions and/or arrangements may be on less favorable terms to Penn than the Boyd divestitures and the real estate transactions.

The completion of the Boyd divestitures, the consent provided by the landlord consent agreement and the other real estate transactions are each subject to a number of closing conditions, as described in more detail under "The Divestiture Agreement" and "The Real Estate Transaction Agreements." Many of the conditions to the closing of the Boyd divestitures and the real estate transactions are outside of the respective parties' control, and no party can predict when or if these conditions will be satisfied. Failure of any of these conditions to be timely satisfied or waived could have a material adverse effect on Penn and/or Pinnacle, including their ability to complete the merger.

If Penn is unable to complete the Boyd divestitures or the real estate transactions, Penn would be required to pursue alternative transactions or arrangements to permit the completion of the merger. There is no assurance as to when or if any such alternative transactions or arrangements could be completed, or that any such alternate divestiture transaction could be completed on terms as favorable to Penn and its shareholders (including, after the merger, former Pinnacle stockholders) as the divestiture agreement and the real estate transaction agreements.

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Stockholders may sell substantial amounts of Pinnacle common stock in the public market, which is likely to depress the price of Pinnacle common stock, particularly following an announcement, or anticipated announcement, that the merger may not be completed.

A significant number of shares of Pinnacle common stock may be sold at any time prior to the merger. If Pinnacle's current stockholders sell Pinnacle common stock in the public market prior to the merger, it is likely that arbitrageurs will acquire such shares. These arbitrageurs would likely sell all such shares in the public market immediately following any announcement, or anticipated announcement, that the merger failed to close, or will likely fail to close, for any reason, which in turn would likely cause the market price of Pinnacle common stock to decline. In addition to the other negative effects on Pinnacle, such sales of Pinnacle common stock might make it more difficult for Pinnacle to sell equity or equity-related securities in the future if the merger is not completed.

Completion of the merger may trigger change in control or other provisions in certain agreements to which Pinnacle is a party.

The completion of the transactions may trigger change in control or other provisions in certain agreements to which Pinnacle is a party. If Penn and Pinnacle are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if Penn and Pinnacle are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to Pinnacle.

The aggregate ownership and voting interest of the current Penn shareholders in Penn after the merger will be lower than they currently have in Penn and they will exercise less influence over management of Penn than they currently exercise over management of Penn.

Following the consummation of the merger, current Penn shareholders will own in the aggregate a smaller percentage of the outstanding Penn common stock than they currently own. Immediately following the merger, those shareholders are expected to own in the aggregate (excluding any shares of Penn common stock they may own or acquire prior to consummation of the merger) approximately 78% of the outstanding shares of Penn common stock, based on the number of shares of Penn common stock and Pinnacle common stock outstanding on the date of this joint proxy statement/prospectus. Consequently, if Penn's management pursues strategies or undertakes risks that differ from the investment preferences of Penn's shareholders, Penn's current shareholders will have less influence over the management and policies of Penn than they currently exercise over the management and policies of Penn.

Risks Relating to Penn After Completion of the Merger

Following the merger, the market price of Penn common stock may be volatile, and holders of Penn's common stock could lose a significant portion of their investment due to fluctuations in the market price of Penn's common stock following completion of the merger.

The market price of Penn's common stock may be volatile, and following completion of the merger, shareholders may not be able to resell their shares of Penn common stock at or above the price at which they acquired the common stock pursuant to the merger agreement or otherwise due to fluctuations in its market price, including changes in price caused by factors unrelated to Penn's performance or prospects.

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Specific factors that may have a significant effect on the market price of Penn's common stock include, among others, the following:

changes in stock market analyst recommendations or earnings estimates regarding Penn's common stock or other comparable companies;

actual or anticipated fluctuations in Penn's revenues, profitability or future prospects;

reaction to public announcements by Penn following the merger;

strategic actions taken by Penn or its competitors, such as acquisitions, dispositions and new development projects;

failure of Penn to achieve the anticipated benefits of the merger, including financial results and expected synergies, as rapidly as or to the extent anticipated by financial or industry analysts;

new laws or regulations or new interpretations of existing laws or regulations applicable to Penn's business and operations or the gaming industry;

changes in tax or accounting standards, policies, guidance, interpretations or principles;

adverse conditions in the financial markets or general U.S. or international economic conditions, including those resulting from war, incidents of terrorism and responses to such events; and

sales of Penn common stock by members of Penn's management team or significant shareholders.

If the merger is completed, Penn may not achieve the intended benefits and the transaction may disrupt its current plans or operations.

There can be no assurance that Penn will be able to successfully integrate Pinnacle's assets or otherwise realize the expected benefits of the merger. In addition, the merger is not subject to a financing condition, which means that Penn has an obligation to complete the merger even if financing is not available or is available only on terms other than those currently anticipated. Penn's inability to finance the transaction on attractive terms could result in increased costs, dilution to its shareholders and/or have an adverse effect on its financial condition, results of operations or cash flows. In addition, Penn's business may be negatively impacted following the transaction if it is unable to effectively manage its expanded operations. The integration will require significant time and focus from Penn's management following the transaction. Additionally, consummating the merger could disrupt current plans and operations, which could delay the achievement of Penn's strategic objectives.

Penn has a material amount of existing indebtedness and expects to incur additional indebtedness in order to finance the merger as well as incremental rent obligations as a result of acquiring Pinnacle.

Penn has a material amount of existing indebtedness and debt service requirements. As of September 30, 2017, Penn had approximately \$1.3 billion in long-term indebtedness in the form of a senior secured credit facility, senior unsecured notes outstanding, capital leases and other long-term obligations. Penn expects to incur additional indebtedness in connection with the merger of approximately \$1.5 billion, assuming the proceeds of the Boyd divestitures and the real estate transactions are obtained prior to completion of the merger. Penn's material indebtedness could have important consequences to you, including the following:

it may limit Penn's ability to obtain additional debt or equity financing for working capital, capital expenditures, acquisitions, debt service requirements and general corporate or other purposes;

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a material portion of Penn's cash flows will be dedicated to the payment of principal and interest on Penn's indebtedness, including indebtedness it may incur in the future, and will not be available for other purposes, including to pay dividends and make acquisitions;

it could limit Penn's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and place Penn at a competitive disadvantage compared to its competitors that have less debt or are less leveraged;

it could make Penn more vulnerable to downturns in general economic or industry conditions or in Penn's business, or prevent Penn from carrying out activities that are important to its growth;

it could limit Penn's ability to take advantage of strategic business opportunities; and

it could make it more difficult for Penn to satisfy its obligations with respect to its indebtedness, including under the notes, and any failure to comply with the obligations of any of Penn's debt instruments, including any financial and other restrictive covenants, could result in an event of default under the indentures governing the notes or under the agreements governing Penn's other indebtedness which, if not cured or waived, could result in the acceleration of Penn's indebtedness under the senior secured credit facility and/or the notes.

In addition, as a result of acquiring Pinnacle, Penn (as parent guarantor) and its applicable subsidiaries will incur substantial addition rent obligations pursuant to (i) the amended Pinnacle master lease, under which annual rent is anticipated to initially be approximately \$284.7 million as of the closing of the merger and (ii) the Meadows lease, under which annual rent is approximately \$25.8 million as of the date of this joint proxy statement/prospectus.

Penn cannot assure you that its business will generate sufficient cash flow from operations, or that future borrowings will be available to Penn under its senior secured credit facility or from other debt financing, in an amount sufficient to enable Penn to pay its indebtedness, including the notes, or to fund its other liquidity needs including in connection with the rent payable under the amended Pinnacle master lease and the Meadows lease. If Penn does not generate sufficient cash flow from operations to satisfy its debt service and rent obligations, including payments on the notes, Penn may have to undertake alternative financing plans, such as refinancing or restructuring its indebtedness, selling assets or seeking to raise additional capital, including by issuing equity securities or securities convertible into equity securities. Penn's ability to restructure or refinance its indebtedness will depend on the capital markets and its financial condition at such time. Any refinancing of Penn's indebtedness could be at higher interest rates and may require Penn to comply with more onerous covenants, which could further restrict its business operations. Penn's inability to generate sufficient cash flow to satisfy its debt service requirements or rent obligations would have an adverse effect, which could be material, on its business, financial position and results of operations, as well as on Penn's ability to satisfy its financing obligations and obligations under its lease agreements with GLPI and its affiliates. To the extent that Penn will incur additional indebtedness or such other obligations, the risks associated with Penn's leverage, including its possible inability to service its debt and/or pay its rent, would increase.

Adverse changes in Penn's credit rating may affect Penn's borrowing capacity and borrowing terms.

Penn's outstanding debt is periodically rated by nationally recognized credit rating agencies. The credit ratings are based upon Penn's operating performance, liquidity and leverage ratios, overall financial position, and other factors viewed by the credit rating agencies as relevant to both Penn's industry and the economic outlook. Penn's credit rating may affect the amount of capital Penn can access, as well as the terms of any financing Penn obtains. Because Penn relies in part on debt financing to fund growth, adverse changes in Penn's credit rating may have a negative effect on Penn's future growth.

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After the merger is completed, Pinnacle stockholders will become shareholders of a Pennsylvania corporation and have their rights as shareholders governed by Penn's organizational documents and Pennsylvania law.

Upon consummation of the merger, Pinnacle stockholders will receive Penn common stock that will be governed by Penn's organizational documents and the PBCL. For a detailed discussion of the differences between rights as stockholders of Pinnacle and rights as a shareholder of Penn, see "Comparison of Rights of Common Shareholders of Penn and Common Stockholders of Pinnacle."

Penn is expected to incur substantial expenses related to the completion of the merger and related transactions.

The combined company is expected to incur substantial expenses in connection with the completion of the merger, the Boyd divestitures, the real estate transactions and the other transactions contemplated by the merger agreement. While Penn and Pinnacle have assumed that a certain level of expenses would be incurred, there are many factors beyond their control that could affect the total amount or the timing of the expenses.

The unaudited pro forma condensed combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of Penn following completion of the pro forma events.

The unaudited pro forma condensed combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what Penn's actual financial position or results of operations would have been had the pro forma events been completed on the dates indicated. Further, Penn's actual results and financial position after the pro forma events may differ materially and adversely from the unaudited pro forma condensed combined financial data that is included in this joint proxy statement/prospectus. The unaudited pro forma condensed combined financial information has been prepared with the assumption that Penn will be identified as the acquirer under GAAP and reflects adjustments based upon preliminary estimates of the fair value of assets to be acquired and liabilities to be assumed.

The unaudited prospective financial information for Penn and Pinnacle included in this joint proxy statement/prospectus reflect management estimates and may not prove to be reflective of actual future results.

In connection with the merger, Penn and Pinnacle's management and boards prepared and/or considered, among other things, certain unaudited prospective financial information for Penn and Pinnacle, respectively. This unaudited prospective financial information included assumptions regarding future operating cash flows, expenditures and growth of Penn and Pinnacle. This unaudited prospective financial information speaks only as of the date made and, except as required by applicable securities laws, will not be updated. This unaudited prospective financial information is subject to significant economic, competitive, industry and other uncertainties, including the factors described in this "Risk Factors" section and in "Cautionary Note Regarding Forward-Looking Statements" beginning on page [], which factors and uncertainties may cause the unaudited prospective financial information or the underlying assumptions to be inaccurate. As a result of these uncertainties, there can be no assurance that the unaudited prospective financial information of Penn and Pinnacle will be achieved in full, at all or within projected timeframes. In view of these uncertainties, the inclusion of the unaudited prospective financial information of Penn and Pinnacle in this joint proxy statement/prospectus should not be regarded as an indication that the boards of Penn or Pinnacle, Merger Sub, Goldman Sachs or J.P. Morgan or any other recipient of this information considered, or now considers, it to be an assurance of the achievement of future results.

The unaudited prospective financial information was prepared to assist Penn and Pinnacle with their due diligence investigations and their respective financial advisors with their financial analyses. The unaudited prospective financial information was not prepared with a view toward public disclosure

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or toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. No independent registered public accounting firm has examined, compiled or performed any procedures with respect to the unaudited prospective financial information. For additional information regarding the unaudited prospective financial information, see "The Merger Certain Penn Unaudited Prospective Financial Information" beginning on page [], "The Merger Certain Pinnacle Unaudited Prospective Financial Information" beginning on page [] and "The Merger Important Information about the Unaudited Prospective Financial Information" beginning on page [].

Uncertainties associated with the merger may cause a loss of key employees, which could adversely affect future business and operations of the combined company.

Penn and Pinnacle are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. Each company's success until the merger and the combined company's success after the merger will depend in part upon the ability of Penn and Pinnacle to retain key employees following the merger, including employees at the Pinnacle casinos that Penn will acquire as a result of the merger. Current and prospective employees of Penn and Pinnacle may experience uncertainty about their roles within the combined company following the merger, which may have an adverse effect on the ability of each of Penn and Pinnacle to attract or retain key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key employees of Penn and Pinnacle to the same extent that Penn and Pinnacle have previously been able to attract or retain their own employees.

Other Risk Factors of Penn and Pinnacle

Penn's and Pinnacle's businesses are and will be subject to the risks described above. In addition, Penn and Pinnacle are, and will continue to be subject to the risks described in Penn's and Pinnacle's Annual Reports on Form 10-K for the fiscal year ended December 31, 2016, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. The risks described above and in those filings represent all known material risks with respect to Penn's and Pinnacle's businesses. See "Where You Can Find More Information" for the location of information incorporated by reference into this joint proxy statement/prospectus.

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INFORMATION ABOUT PENN

Penn National Gaming, Inc.

Penn National Gaming, Inc. is a diversified, multi-jurisdictional owner and manager of gaming and racing facilities and video gaming terminal operations. Penn was incorporated in Pennsylvania in 1982 as PNRC Corp. and adopted its current name in 1994, when Penn became a publicly traded company. In 1997, Penn began its transition from a pari-mutuel company to a diversified gaming company with the acquisition of the Charles Town property and the introduction of video lottery terminals in West Virginia. Since 1997, Penn has continued to expand its gaming operations through strategic acquisitions, greenfield projects, and property expansions. As of December 31, 2017, Penn owned, managed, or had ownership interests in twenty-nine facilities in the following seventeen jurisdictions: California, Florida, Illinois, Indiana, Kansas, Maine, Massachusetts, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario, Canada.

Shares of Penn common stock are traded on the Nasdaq Global Select Market under the symbol "PENN."

The principal executive offices of Penn are located at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610 and its telephone number is (610) 373-2400. Additional information about Penn and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

Franchise Merger Sub, Inc.

Franchise Merger Sub, Inc. is a wholly owned subsidiary of Penn. Merger Sub was formed by Penn solely in contemplation of the transactions, has not conducted any business and has no assets, liabilities or other obligations of any nature other than as set forth in the merger agreement. Its principal executive offices are located at c/o Penn National Gaming, Inc., 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610 and its telephone number is (610) 373-2400.

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INFORMATION ABOUT PINNACLE

Pinnacle owns and operates 16 gaming, hospitality and entertainment businesses, of which 15 operate in leased facilities. Pinnacle's owned facilities are located in Ohio and its leased facilities are located in Colorado, Indiana, Iowa, Louisiana, Mississippi, Missouri, Nevada, and Pennsylvania, subject to the Pinnacle master lease and the Meadows lease.

Pinnacle common stock is traded on the Nasdaq Global Select Market under the symbol "PNK". Following the merger, Pinnacle common stock will be delisted from the Nasdaq Global Select Market.

Additional information about Pinnacle and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

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PENN SPECIAL MEETING

General

This joint proxy statement/prospectus is being provided to Penn shareholders as part of a solicitation of proxies by the Penn board for use at the Penn special meeting and at any adjournments or postponements of such special meeting. This joint proxy statement/prospectus provides Penn shareholders with important information about the Penn special meeting and should be read carefully in its entirety.

Date, Time and Place of the Penn Special Meeting

The Penn special meeting will be held on [], 2018 at Penn's executive offices at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, at [] local time.

Purposes of the Penn Special Meeting

The Penn special meeting is being held to consider and vote upon the following proposals:

Proposal 1: to approve the issuance of shares of Penn common stock to Pinnacle stockholders in connection with the merger, referred to previously as the share issuance proposal; and

Proposal 2: to approve the adjournment of the Penn special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal, referred to previously as the Penn adjournment proposal.

Recommendation of the Penn Board

The Penn board recommends that the Penn shareholders vote:

Proposal 1: "FOR" the approval of the share issuance proposal;

Proposal 2: "FOR" the Penn adjournment proposal.

The Penn board (other than Messrs. Peter M. Carlino and David A. Handler, who recused themselves) has unanimously (i) determined that it is in the best interests of Penn and its shareholders, and declared it advisable, to enter into the merger agreement and (ii) approved the execution, delivery and performance by Penn of the merger agreement and the consummation of the transactions contemplated thereby, including the merger and the share issuance.

This joint proxy statement/prospectus contains important information regarding these proposals and factors that Penn shareholders should consider when deciding how to cast their votes. Penn shareholders are encouraged to read the entire document carefully, including the annexes to and documents incorporated by reference into this document, for more detailed information regarding the merger agreement and the transactions contemplated by the merger agreement, including the share issuance proposal.

Attendance at the Penn Special Meeting

Only Penn shareholders of record as of the close of business on the record date, beneficial owners as of the close of business on the record date, holders of valid proxies for the Penn special meeting and invited guests of Penn may attend the Penn special meeting.

If you plan to attend the Penn special meeting, you will need an admission ticket. If your shares are held in registered name, you can obtain an admission ticket by checking the appropriate box on your proxy card or direction card or by writing to Penn's Secretary at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, Attn: Secretary. If you are a beneficial owner holding

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through a broker, bank or other holder of record, you must write to Penn's Secretary at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, Attn: Secretary AND include proof of your ownership of Penn stock as of [], 2018, the record date, for the Penn special meeting, such as a copy of your brokerage account statement or a "legal proxy," which you can obtain from your broker, bank or other holder of record, and Penn will send you an admission ticket.

Shareholders must present a form of photo identification, such as a driver's license, in order to be admitted to the Penn special meeting. No cameras, laptops, recording equipment or other similar electronic devices, signs, placards, briefcases, backpacks, large bags or packages will be permitted in the Penn special meeting. Penn reserves the right to deny admittance to any Penn shareholder who attempts to bring any such item into the Penn special meeting. Small purses are permissible, but they and any bags or packages permitted in the Penn special meeting room will be subject to inspection. The use of mobile phones or other communication devices, tablets and similar electronic devices during the Penn special meeting is prohibited, and such devices must be turned off and put away before entering the meeting room. All security procedures and instructions require strict adherence. By attending the Penn special meeting, Penn shareholders agree to abide by the agenda and procedures for the Penn special meeting, copies of which will be distributed to attendees at the Penn special meeting.

Record Date

The record date for the determination of shareholders entitled to notice of and to vote at the Penn special meeting is [], 2018. Only Penn shareholders who held shares of record at the close of business on [], 2018 are entitled to vote at the Penn special meeting and any adjournment or postponement of the Penn special meeting, so long as such shares remain outstanding on the date of the Penn special meeting.

Outstanding Shares as of Record Date

As of the close of business on the record date, there were [] shares of Penn common stock outstanding, held by [] holders of record, and no shares of Penn preferred stock outstanding. Each share of Penn common stock entitles its holder of record to one vote at the Penn special meeting. Penn common stock is the only class of stock entitled to vote at the Penn special meeting, and holders of Penn common stock are entitled to vote on each proposal presented.

A complete list of registered Penn shareholders entitled to vote at the Penn special meeting will be available for inspection at the place of the Penn special meeting during the meeting.

Quorum

In order for business to be conducted at the Penn special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of the issued and outstanding shares of Penn common stock entitled to vote at the Penn special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions and broker non-votes (only when voted with respect to at least one matter at the meeting), will count towards the quorum. Broker non-votes occur when a beneficial owner holding shares in "street name" does not instruct the broker, bank or other nominee that is the record owner of such shareholder's shares on how to vote those shares on a particular proposal. Shares owned, directly or indirectly, by Penn and controlled, directly or indirectly, by the Penn board, as such, shall not be counted in determining the total number of outstanding shares for quorum purposes.

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Vote Required

The votes required for each proposal are as follows:

Proposal 1 The share issuance proposal. Approval of the share issuance proposal requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Penn's common stock present at the Penn special meeting. Penn shareholders that fail to vote on the share issuance proposal and abstentions will not be counted as votes cast "for" or "against" the share issuance proposal and therefore will have no effect on the outcome of the share issuance proposal at a duly convened Penn special meeting. Because the share issuance proposal is non-routine, brokers, banks and other nominees do not have discretionary authority to vote on the share issuance proposal and will not be able to vote on the share issuance proposal absent instructions from the beneficial owner. The failure of a beneficial owner to provide voting instructions to its broker, bank or other nominee will result in the applicable shares not being counted in determining the votes cast in connection with the share issuance proposal, and will therefore have no effect on the outcome of the share issuance proposal.

Proposal 2 the Penn adjournment proposal. Approval of the Penn adjournment proposal requires the affirmative vote of a majority of the votes cast on the proposal by the holders of Penn common stock present at the Penn special meeting. Penn shareholders that fail to vote on the Penn adjournment proposal and abstentions will not be counted as votes cast "for" or "against" the Penn adjournment proposal and will have no effect on the outcome of the Penn adjournment proposal. Because the Penn adjournment proposal is non-routine, brokers, banks and other nominees do not have discretionary authority to vote on the Penn adjournment proposal and will not be able to vote on the Penn adjournment proposal absent instructions from the beneficial owner. The failure of a beneficial owner to provide voting instructions to its broker, bank or other nominee will result in the applicable shares not being counted in determining the votes cast in connection with the Penn adjournment proposal, and will therefore have no effect on the outcome of the Penn adjournment proposal.

How to Vote

Penn shareholders of record as of the close of business on the record date may have their shares voted by submitting a proxy or may vote in person at the Penn special meeting by following the instructions provided on the enclosed proxy card. Penn recommends that Penn shareholders entitled to vote submit a proxy even if they plan to attend the Penn special meeting.

Penn shareholders who hold their shares beneficially in "street name" and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of record as to how to vote their shares with respect to Proposals 1 and 2. Penn shareholders who hold their shares beneficially and wish to vote in person at the Penn special meeting must obtain proxies issued in their own names (known as a "legal proxy").

Penn shareholders of record may submit a proxy in one of three ways or vote in person at the Penn special meeting:

Internet: Penn shareholders may submit their proxy over the Internet at the web address shown on their proxy card. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m., Eastern Time, on [], 2018. Shareholders will be given an opportunity to confirm that their voting instructions have been properly recorded. Penn shareholders who submit a proxy this way need not send in their proxy card.

Telephone: Penn shareholders may submit their proxy by calling the toll-free telephone number shown on their proxy card. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m., Eastern Time, on [], 2018. Easy-to-follow voice prompts will guide shareholders through the voting and allow them to confirm that their instructions have been

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properly recorded. Penn shareholders who submit a proxy this way need not send in their proxy card.

Mail: Penn shareholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this joint proxy statement/prospectus. Penn shareholders who vote this way should mail the proxy card early enough so that it is received before the date of the Penn special meeting.

In Person: Penn shareholders may vote in person at the Penn special meeting or by sending a representative with an acceptable proxy that has been signed and dated. Attendance at the Penn special meeting will not, however, in and of itself constitute a vote or a revocation of a prior proxy.

Penn shareholders are encouraged to submit a proxy promptly. Each valid proxy received in time will be voted at the Penn special meeting according to the choice specified, if any. Executed but uninstructed proxies (*i.e.*, proxies that are properly signed, dated and returned but are not marked to tell the proxies how to vote) will be voted in accordance with the recommendations of the Penn board.

Proxies and Revocation

Penn shareholders of record may revoke their proxies at any time before their shares are voted at the Penn special meeting in any of the following ways:

sending a written notice of revocation to Penn at 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, Attention: Secretary, which must be received before their shares are voted at the Penn special meeting;

properly submitting a new, later-dated proxy card, which must be received before their shares are voted at the Penn special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via the Internet or by telephone at a later date, which must be received by 11:59 p.m. on [], 2018 (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the Penn special meeting and voting in person (attendance at the Penn special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy).

Beneficial owners of Penn common stock may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

Judge of Election

The Penn board has selected [] to act as the judge of election at the Penn special meeting.

Solicitation of Proxies

Penn will pay for the proxy solicitation costs related to the Penn special meeting. In addition to sending and making available these materials, some of Penn's directors, officers and other employees may solicit proxies by contacting Penn shareholders by telephone, by mail, by e-mail or in person. Penn shareholders may also be solicited by press releases issued by Penn and/or Pinnacle, postings on Penn's or Pinnacle's websites and advertisements in periodicals. None of Penn's directors, officers or employees will receive any extra compensation for their solicitation services. Penn has also retained Innisfree M&A Incorporated to assist in the solicitation of proxies for an estimated fee of approximately \$[], plus reasonable out-of-pocket expenses. Penn will also reimburse brokers, banks

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and other nominees for their expenses in sending proxy solicitation materials to the beneficial owners of Penn common stock and obtaining their proxies.

Adjournments

The Penn special meeting may be adjourned in the absence of a quorum by the presiding officer of the meeting or the affirmative vote of a majority of the voting power of the outstanding shares of Penn common stock present at the Penn special meeting and entitled to vote.

Even if a quorum is present, the Penn special meeting could be adjourned in order to provide more time to solicit additional proxies in favor of approval of the share issuance proposal if a majority of votes are cast in favor of the Penn adjournment proposal. If after the adjournment a new record date is set for the adjourned meeting, a notice of the adjourned meeting must be given to each shareholder of record entitled to vote at the Penn special meeting.

No Dissenters' Rights

Under the PBCL, the Penn shareholders are not entitled to dissenters' rights in connection with the merger or the transactions contemplated by the merger.

Other Matters

At this time, Penn knows of no other matters to be submitted at the Penn special meeting.

Householding of Special Meeting Materials

Unless Penn has received contrary instructions, Penn may send a single copy of this joint proxy statement/prospectus and notice to any household at which two or more shareholders reside if Penn believes the shareholders are members of the same family. Each shareholder in the household will continue to receive a separate proxy card. This process, known as "householding," reduces the volume of duplicate information received at your household and helps to reduce Penn's expenses.

Questions and Additional Information

Penn shareholders may contact Penn's proxy solicitor, Innisfree M&A Incorporated, with any questions about the proposals or how to vote or to request additional copies of any materials at:

**Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Shareholders May Call Toll-Free: (888) 750-5834
Shareholders May Call Collect: (212) 750-5833**

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PINNACLE SPECIAL MEETING

General

This joint proxy statement/prospectus is being provided to Pinnacle stockholders as part of a solicitation of proxies by the Pinnacle board for use at the Pinnacle special meeting and at any adjournments or postponements of such special meeting. This joint proxy statement/prospectus provides Pinnacle stockholders with information they need to know to be able to vote or instruct their vote to be cast at the Pinnacle special meeting or any adjournment or postponement thereof and should be read carefully in its entirety. In addition, this joint proxy statement/prospectus constitutes a prospectus for Penn in connection with the issuance by Penn of its common shares pursuant to the merger agreement.

Date, Time and Place of the Pinnacle Special Meeting

The Pinnacle special meeting will be held on [], 2018, at [], local time, at [].

Purposes of the Pinnacle Special Meeting

The Pinnacle special meeting is being held to consider and vote upon the following proposals:

Proposal 1: to adopt the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and the material provisions of which are summarized in the section of this joint proxy statement/prospectus entitled "the Merger Agreement", pursuant to which each outstanding share of Pinnacle common stock (other than cancelled shares and dissenting shares) will be converted into the right to receive 0.42 of a share of Penn common stock and \$20.00 in cash plus, if the merger is not consummated on or prior to October 31, 2018, \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger, without interest and subject to applicable withholding taxes, referred to previously as the merger agreement proposal;

Proposal 2: to approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger, the value of which is disclosed in the table in the section of this joint proxy statement/prospectus entitled "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger", referred to previously as the advisory compensation proposal; and

Proposal 3: to vote to adjourn the Pinnacle special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement proposal if there are not sufficient votes at the time of such adjournment to adopt the merger agreement, referred to previously as the Pinnacle adjournment proposal.

Recommendation of the Pinnacle Board

The Pinnacle board unanimously recommends that the Pinnacle stockholders vote:

Proposal 1: "FOR" the merger agreement proposal;

Proposal 2: "FOR" the advisory compensation proposal; and

Proposal 3: "FOR" the Pinnacle adjournment proposal.

The Pinnacle board unanimously determined that it is in the best interests of Pinnacle and its stockholders, and declared it advisable, for Pinnacle to enter into the merger agreement, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and resolved to recommend adoption of the merger agreement by

Pinnacle's stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders.

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This joint proxy statement/prospectus contains important information regarding these proposals and factors that Pinnacle stockholders should consider when deciding how to cast their votes. Pinnacle stockholders are encouraged to read carefully this joint proxy statement/prospectus in its entirety, including the annexes to and documents incorporated by reference into this joint proxy/prospectus, for more detailed information regarding the merger agreement and the merger and other transactions contemplated by the merger agreement.

The Advisory Compensation Proposal and Interests of Directors

In considering the recommendations of the Pinnacle board, Pinnacle stockholders should be aware that Pinnacle's directors and executive officers may have interests that are different from, or in addition to, the interests of Pinnacle stockholders more generally. For more information see the section titled "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger."

Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires that Pinnacle provide its stockholders with the opportunity to vote to approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger, as disclosed in this joint proxy statement/prospectus, including the compensation table and the related narrative named executive officer compensation disclosures set forth in "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger." This vote is commonly referred to as a "golden parachute say on pay" vote.

Accordingly, Pinnacle is seeking approval of the following resolution at the Pinnacle special meeting:

"RESOLVED, that Pinnacle's stockholders approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger" (which disclosure includes the compensation table and related narrative named executive officer compensation disclosures required pursuant to Item 402(t) of Regulation S-K)."

Pinnacle stockholders should note that the advisory compensation proposal is merely an advisory vote, which will not be binding on Pinnacle, Penn or their respective boards of directors. Further, the underlying plans and arrangements are contractual in nature and not, by their terms, subject to stockholder approval. Accordingly, regardless of the outcome of the advisory vote, if the merger is consummated, the eligibility of the Pinnacle named executive officers for such payments and benefits will not be affected by the outcome of the advisory vote.

The proposal to approve, on an advisory (non-binding) basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger is a vote separate and apart from the vote on the proposal to adopt the merger agreement. Accordingly, a Pinnacle stockholder may vote to approve one proposal and not the other. Approval of the advisory compensation proposal is not a condition to the completion of the merger.

How to Vote Your Pinnacle Entertainment, Inc. 401(k) Investment Plan Shares by Proxy

If shares of Pinnacle common stock are allocated to your account under the Pinnacle Entertainment, Inc. 401(k) Investment Plan, which we refer to as the 401(k) Plan, Broadridge, Pinnacle's vote tabulator, will gather voting instructions for Wells Fargo, the 401(k) Plan trustee, to vote the Pinnacle common stock allocated to your 401(k) account. Generally, to vote the Pinnacle common stock allocated to your account, you may do so online at www.proxyvote.com or by mailing your ballot to Broadridge, at Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

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If you provide voting directions via the Internet, your voting instructions must be received before [] p.m. (Eastern Time) on []. If you provide voting instructions to Broadridge by mail, your voting instructions must be received before [] p.m. (Eastern Time) on []. If shares of Pinnacle common stock are allocated to your account under the 401(k) Plan and you do not timely submit your voting instructions by these deadlines, Wells Fargo will not vote the shares.

To assure the confidentiality of your decision, Broadridge will tabulate 401(k) Plan participant directions and provide the results directly to Wells Fargo. Neither Broadridge nor Wells Fargo, nor their respective affiliates and agents, will make the results of your individual direction available to Pinnacle, or any of its officers, employees or agents, in a manner that will allow Pinnacle to identify you. The committee appointed by Pinnacle to administer the 401(k) Plan, which we refer to as the 401(k) Plan Administrator, is responsible for monitoring compliance with these procedures. Please refer to the 401(k) Plan's Summary Plan Description for the address and phone number of the 401(k) Plan Administrator.

If you hold shares of Pinnacle common stock through the 401(k) Plan, you may attend the special meeting. However, shares of Pinnacle common stock held through the 401(k) Plan can only be voted by Wells Fargo, as the trustee of the 401(k) Plan, as described above, and you cannot vote such shares in person at the special meeting.

Attendance at the Pinnacle Special Meeting

Only Pinnacle stockholders of record as of the close of business on the record date, beneficial owners as of the close of business on the record date, holders of valid proxies for the Pinnacle special meeting and invited guests of Pinnacle may attend the Pinnacle special meeting, and admission will be on a first-come, first-serve basis.

All attendees should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance. The additional items, if any, that attendees must bring depend on whether they are stockholders of record, beneficial owners or proxy holders.

A Pinnacle stockholder who holds shares directly registered in such stockholder's name with Pinnacle's transfer agent, American Stock Transfer & Trust Company, LLC (a "stockholder of record"), who wishes to attend the Pinnacle special meeting in person should bring government-issued photo identification.

A beneficial owner of Pinnacle common stock who wishes to attend the Pinnacle special meeting in person should bring:

government-issued photo identification; and

proof of beneficial ownership as of the record date (e.g., a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner's shares, a brokerage account statement or the voting instruction form provided by the broker).

A proxy holder who wishes to attend the Pinnacle special meeting in person should bring:

government-issued photo identification;

the validly executed proxy naming such person as the proxy holder, signed by the Pinnacle stockholder; and

proof of the signing stockholder's record ownership as of the record date.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Failure to provide the requested documents at the door or failure to comply with the procedures for

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the Pinnacle special meeting may prevent stockholders from being admitted to the Pinnacle special meeting.

Pinnacle is able to provide reasonable assistance to help persons with disabilities participate in the Pinnacle special meeting if Pinnacle is notified in writing in advance of requested accommodations. Please write to Pinnacle's principal executive offices at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169 Attention: Corporate Secretary.

This joint proxy statement/prospectus and the enclosed proxy are first being mailed to Pinnacle's stockholders and Penn's shareholders on or about [], 2018.

Record Date

The record date for the determination of stockholders entitled to notice of and to vote at the Pinnacle special meeting is [], 2018. Only Pinnacle stockholders who held shares of record at the close of business on [], 2018, are entitled to vote at the Pinnacle special meeting and any adjournment or postponement of the Pinnacle special meeting, so long as such shares remain outstanding on the date of the Pinnacle special meeting.

Outstanding Shares as of Record Date

As of the close of business on the record date, there were [] shares of Pinnacle common stock outstanding, held by [] holders of record.

A complete list of registered Pinnacle stockholders entitled to vote at the Pinnacle special meeting will be available for inspection at the principal place of business of Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169 during regular business hours for a period of no less than 10 days before the Pinnacle special meeting and at the place of the Pinnacle special meeting during the meeting.

Quorum

In order for business to be conducted at the Pinnacle special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of voting power of all shares of capital stock entitled to vote at the Pinnacle special meeting. For purposes of determining whether there is a quorum, all shares that are present will count towards the quorum, which will include proxies received but marked as abstentions and will exclude broker non-votes. Broker non-votes occur when a beneficial owner holding shares in "street name" does not instruct the broker, bank or other nominee that is the record owner of such stockholder's shares on how to vote those shares on a particular proposal.

Vote Required

The votes required for each proposal are as follows:

Proposal 1 the merger agreement proposal. The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Pinnacle common stock on the record date and entitled to vote thereon is required to adopt the merger agreement proposal. The required vote on Proposal 1 is based on the number of outstanding shares not the number of shares actually voted. The failure of any Pinnacle stockholder to submit a vote (i.e., not submitting a proxy and not voting in person) and any abstention from voting by a Pinnacle stockholder will have the same effect as a vote against the merger agreement proposal. Because the merger agreement proposal is non-routine, brokers, banks and other nominees do not have discretionary authority to vote on the merger agreement proposal, and will not be able to vote on the merger

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agreement proposal absent instructions from the beneficial owner. As a result, a broker non-vote will have the same effect as a vote "against" the merger agreement proposal.

Proposal 2 the advisory compensation proposal. The affirmative vote, in person or by proxy, of a majority of the votes cast on the advisory compensation proposal by the holders of shares of Pinnacle common stock at the special meeting at which a quorum is present is required to approve the proposal. The required vote on the advisory compensation proposal is based on the number of shares present not the number of outstanding shares. Abstentions from voting by a Pinnacle stockholder will have no effect on the outcome on the advisory compensation proposal. The failure of any Pinnacle stockholder to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of the advisory compensation proposal. Brokers, banks and other nominees do not have discretionary authority to vote on the advisory compensation proposal and will not be able to vote on advisory compensation proposal. Broker non-votes will have no effect on the outcome of the advisory compensation proposal. While the Pinnacle board intends to consider the vote resulting from this proposal, the vote is advisory only and therefore not binding on Pinnacle or Penn, and, if the proposed merger with Penn is approved by Pinnacle stockholders and consummated, the compensation will be payable even if the advisory compensation proposal is not approved.

Proposal 3 the Pinnacle adjournment proposal. The affirmative vote, in person or by proxy, of a majority of the votes cast on the Pinnacle adjournment proposal by the holders of shares of Pinnacle common stock at the special meeting, whether or not a quorum is present, is required to approve the proposal. The required vote on the Pinnacle adjournment proposal is based on the number of shares present not the number of outstanding shares. Abstentions from voting by a Pinnacle stockholder will have no effect on the outcome on the Pinnacle adjournment proposal. The failure of any Pinnacle stockholder to submit a vote (i.e., not submitting a proxy and not voting in person) will have no effect on the outcome of the Pinnacle adjournment proposal. Brokers, banks and other nominees do not have discretionary authority to vote on the adjournment proposal and will not be able to vote on the adjournment proposal absent instructions from the beneficial owner. Broker non-votes will have no effect on the outcome of the adjournment proposal.

Share Ownership and Voting by Pinnacle's Directors and Executive Officers

At the close of business on the record date for the Pinnacle special meeting, Pinnacle's directors and executive officers had the right to vote approximately [] shares of the then-outstanding Pinnacle voting stock at the Pinnacle special meeting, collectively representing approximately []% of the Pinnacle common stock outstanding and entitled to vote on that date. We currently expect that Pinnacle's directors and executive officers will vote their shares "**FOR**" Proposal 1 (the merger agreement proposal), "**FOR**" Proposal 2 (the advisory compensation proposal) and "**FOR**" Proposal 3 (the Pinnacle adjournment proposal), although they have no obligation to do so.

How to Vote

Pinnacle stockholders of record as of the close of business on the record date may have their shares voted by submitting a proxy or may vote in person at the Pinnacle special meeting by following the instructions provided on the enclosed proxy card. Pinnacle recommends that Pinnacle stockholders entitled to vote submit a proxy even if they plan to attend the Pinnacle special meeting.

Pinnacle stockholders who hold their shares beneficially in "street name" and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of record as to how to vote their shares with respect to Proposals 1, 2 and 3. Pinnacle stockholders who

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hold their shares beneficially and wish to vote in person at the Pinnacle special meeting must obtain a "legal proxy."

Pinnacle stockholders of record may submit a proxy in one of three ways or vote in person at the Pinnacle special meeting:

Internet: Pinnacle stockholders may submit their proxy over the Internet at the web address shown on their proxy card. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time, on [], 2018. Stockholders will be given an opportunity to confirm that their voting instructions have been properly recorded. Pinnacle stockholders who submit a proxy this way should NOT send in their proxy card.

Telephone: Pinnacle stockholders may submit their proxy by calling the toll-free telephone number shown on their proxy card. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time, on []. Pinnacle stockholders who submit a proxy this way should NOT send in their proxy card.

Mail: Pinnacle stockholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this joint proxy statement/prospectus. Pinnacle stockholders who vote this way should mail the proxy card early enough so that it is received before the date of the Pinnacle special meeting.

In Person: Pinnacle stockholders may vote in person at the Pinnacle special meeting or by sending a representative with an acceptable proxy that has been signed and dated. Attendance at the Pinnacle special meeting will not, however, in and of itself constitute a vote or a revocation of a prior proxy.

Pinnacle stockholders are encouraged to submit a proxy promptly. Each valid proxy received in time will be voted at the Pinnacle special meeting according to the choice specified, if any. Executed but uninstructed proxies (i.e., proxies that are properly signed, dated and returned but are not marked to tell the proxies how to vote) will be voted in accordance with the recommendations of the Pinnacle board.

Shares Held in "Street Name"

Pinnacle stockholders who hold shares of Pinnacle common stock in a stock brokerage account or through a bank, broker or other nominee ("street name" stockholders) who wish to vote at the Pinnacle special meeting should be provided a voting instruction form by the institution that holds their shares. If this has not occurred, contact the institution that holds your shares. A number of banks and brokerage firms participate in a program that also permits "street name" shareholders to direct their vote by telephone or over the Internet. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by telephone or over the Internet by following the voting instructions enclosed with the proxy form from the bank or brokerage firm. The Internet and telephone proxy procedures are designed to authenticate shareholders' identities, to allow shareholders to give their proxy voting instructions and to confirm that those instructions have been properly recorded. Votes directed by telephone or over the Internet through such a program must be received by [], on [], 2018. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the Pinnacle special meeting; however, you must first obtain a signed and properly executed legal proxy from your bank, broker or other nominee to vote your shares held in "street name" at the Pinnacle special meeting. Requesting a legal proxy prior to the deadline described above will automatically cancel any voting directions you have previously given by telephone or over the Internet with respect to your shares.

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In accordance with the rules of the Nasdaq, brokers, banks and other nominees who hold shares of Pinnacle common stock in "street name" for their customers do not have discretionary authority to vote the shares with respect to the proposal to adopt the merger agreement, the non-binding advisory proposal to approve certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger, or the adjournment of the special meeting, if necessary or appropriate, including to solicit additional proxies. Accordingly, if brokers, banks or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to these proposals. Under such circumstance, a "broker non-vote" would arise. "Broker non-votes," if any, will not be considered present at the special meeting for purposes of determining whether a quorum is present at the special meeting, will have the same effect as a vote "**AGAINST**" the proposal to adopt the merger agreement and, assuming a quorum is present, will have no effect on the proposal to approve, on a non-binding advisory basis, certain compensation that may be paid or become payable to Pinnacle's named executive officers in connection with the merger or on the adjournment proposal. Thus, for shares of Pinnacle common stock held in "street name," only shares of Pinnacle common stock affirmatively voted "**FOR**" the proposal to adopt the merger agreement will be counted as a vote in favor of such proposal.

Proxies and Revocation

Pinnacle stockholders of record may revoke their proxies at any time before their shares are voted at the Pinnacle special meeting in any of the following ways:

sending a written notice of revocation to Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169 Attention: Corporate Secretary, which must be received before their shares are voted at the Pinnacle special meeting;

properly submitting a new, later-dated proxy card, which must be received before their shares are voted at the Pinnacle special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via the Internet or by telephone at a later date, which must be received by [], on [], 2018 (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the Pinnacle special meeting and voting in person. Attendance at the Pinnacle special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Pinnacle beneficial owners may change their voting instruction by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record or by requesting a "legal proxy" from such broker, bank or other nominee and voting in person at the Pinnacle special meeting.

Pinnacle stockholders that hold their shares in "street name" through a broker, bank or other nominee will need to follow the instructions provided by their broker, bank or other nominee in order to revoke their proxies or submit new voting instructions.

Inspector of Election

The Pinnacle board has appointed a representative of [] to act as the inspector of election at the Pinnacle special meeting.

Solicitation of Proxies

Pinnacle will pay for the proxy solicitation costs related to the Pinnacle special meeting. This includes the entire cost of preparing, assembling, printing, mailing and distributing these proxy

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materials to Pinnacle stockholders. In addition to sending and making available these proxy materials, some of Pinnacle's directors, officers and other employees may solicit proxies by contacting Pinnacle stockholders by telephone, by mail, by e-mail or in person. Pinnacle stockholders may also be solicited by press releases issued by Pinnacle and/or Penn, postings on Pinnacle's or Penn's websites and advertisements in periodicals. None of Pinnacle's directors, officers or employees will receive any extra compensation for their solicitation services. Pinnacle has also retained D.F. King & Co., Inc. to assist in the solicitation of proxies for a fee expected not to exceed \$25,000, plus reasonable out-of-pocket expenses. Pinnacle may also reimburse brokers, banks and other nominees representing beneficial owners of shares of Pinnacle common stock for their expenses in sending proxy solicitation materials to such beneficial owners and obtaining their proxies.

Adjournments and Postponements

The Pinnacle special meeting may be adjourned or postponed, if necessary or appropriate, in the absence of a quorum by the affirmative vote of holders of a majority of the Pinnacle shares having voting power present in person or represented by proxy at the Pinnacle special meeting. Even if a quorum is present, the Pinnacle special meeting may also be adjourned in order to provide more time to solicit additional proxies in favor of adoption of the merger agreement if sufficient votes are cast in favor of the adjournment proposal. If a sufficient number of shares of Pinnacle common stock is present or represented, in person or by proxy, and voted in favor of the proposal to adopt the merger agreement at the special meeting such that the Pinnacle stockholder approval shall have been obtained, Pinnacle does not anticipate that it will adjourn or postpone the special meeting.

Any adjournment or postponement of the special meeting will allow Pinnacle's stockholders who have already sent in their proxies to revoke them at any time before their use at the special meeting that was adjourned or postponed. If the adjournment is for more than 30 days or if after the adjournment a new record date is set for the adjourned meeting, a notice of the adjourned meeting must be given to each stockholder of record entitled to vote at the special meeting.

Appraisal Rights

Pinnacle stockholders are entitled to appraisal rights under Section 262 of the DGCL, provided they satisfy the criteria and conditions set forth in Section 262 of the DGCL. Pinnacle common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into the merger consideration, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

Other Matters

At this time, Pinnacle knows of no other matters to be submitted at the Pinnacle special meeting.

Householding of Special Meeting Materials

Unless Pinnacle has received contrary instructions, Pinnacle may send a single copy of this joint proxy statement/prospectus and notice to any household at which two or more stockholders reside if Pinnacle believes the stockholders are members of the same family. Each stockholder in the household will continue to receive a separate proxy card. This process, known as "householding," reduces the volume of duplicate information received at your household and helps to reduce Pinnacle's expenses.

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Questions and Additional Information

Pinnacle stockholders may contact Pinnacle's proxy solicitor, D.F. King & Co., Inc., with any questions about the proposals or how to vote or to request additional copies of any materials at:

**D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
Shareholders May Call Toll-Free: (866) 530-8635
Banks & Brokers May Call Collect: (212) 269-5550
Email: PNK@dfking.com**

Pinnacle stockholders should not return their stock certificates or send documents representing Pinnacle common stock with the enclosed proxy card. If the merger is completed, the exchange agent for the merger will send to Pinnacle stockholders a letter of transmittal and related materials and instructions for exchanging shares of Pinnacle common stock.

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THE MERGER

This section of the joint proxy statement/prospectus describes the material aspects of the proposed merger. This section may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus, including the full text of the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the proposed merger and the transactions related thereto. In addition, important business and financial information about each of Penn and Pinnacle is included in or incorporated by reference into this joint proxy statement/prospectus and is included in the annexes hereto. See the section titled "Where You Can Find More Information."

Effects of the Merger

Upon satisfaction or waiver of the conditions to closing, on the closing date, Merger Sub, a wholly owned subsidiary of Penn formed for the purpose of effecting the merger, will merge with and into Pinnacle. Pinnacle will be the surviving company in the merger. At the effective time, each share of Pinnacle common stock issued and outstanding immediately prior to the effective time (other than excluded shares) will be converted into the right to receive 0.42 of a share of Penn common stock, with cash paid in lieu of the issuance of fractional shares of Penn common stock, and \$20.00 in cash (plus, if the merger is not consummated on or prior to October 31, 2018, \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger), without interest and subject to applicable withholding taxes. In addition, Pinnacle will take all actions as may be necessary so that at the effective time, each Pinnacle outstanding restricted stock unit award or performance stock unit award in respect of Pinnacle common stock will be treated as described in "The Merger Interests of Certain Pinnacle Directors and Executive Officers in the Merger."

Background of the Merger

As part of its ongoing evaluation of Pinnacle's business, the Pinnacle board, together with senior management, regularly reviews opportunities to increase stockholder value. Pinnacle's long-term strategy has included disciplined capital expenditures to improve and maintain its existing properties, while growing the number and quality of its facilities by pursuing gaming entertainment opportunities it believes it can improve, develop or acquire. In recent years, Pinnacle has focused on increasing stockholder value by, among other things, executing strategic acquisitions and integrating those acquisitions into its existing businesses. In April 2016, Pinnacle's predecessor entity ("former Pinnacle") completed the separation of its operating assets and liabilities from its real estate assets, by contributing its operating assets to Pinnacle and distributing shares of Pinnacle common stock to its stockholders, followed by the acquisition of former Pinnacle by GLPI and Pinnacle's entry into the Pinnacle master lease with GLPI, pursuant to which Pinnacle leases a significant majority of the real estate associated with Pinnacle's gaming properties. Following the completion of those transactions, Pinnacle continued to review potential acquisition opportunities, including its acquisition of the gaming operations of The Meadows Racetrack and Casino in Washington County, Pennsylvania in September 2016 (which is leased from affiliates of GLPI under a triple net lease agreement).

The Penn board, together with senior management, also regularly reviews Penn's performance, future growth prospects and overall strategic direction and considers potential opportunities to strengthen Penn's business and enhance shareholder value. These reviews have included consideration of strategic investments, diversification into new geographic regions and lines of business, purchases and sales of assets and businesses, joint ventures, spin-offs, and potential strategic business combinations and other transactions with third parties that would further Penn's strategic objectives and ability to create shareholder value. Among many other value-enhancing transactions Penn has effected in recent years, Penn was the first company in the gaming industry to separate its real property from its gaming operations, which Penn accomplished by spinning off GLPI in 2013. Since that time, Penn has

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leased a significant majority of the real estate associated with its gaming properties from GLPI pursuant to a master lease (the "Penn master lease"). In the years since the spin-off of GLPI, Penn has continued to seek accretive growth opportunities through acquisitions including, among others, Penn's 2015 acquisitions of Tropicana Las Vegas and Prairie State Gaming and 2017 acquisition of Bally's Casino Tunica and Resorts Casino Tunica (which are leased from GLPI as part of the Penn master lease).

At a regularly scheduled meeting in December 2016, the Pinnacle board discussed the possibility of pursuing a potential acquisition of Penn. The Pinnacle board directed management to approach GLPI, in its capacity as the landlord under the Pinnacle master lease and the Penn master lease, to assess GLPI's willingness to consent to such a potential transaction. In mid-December 2016, Anthony Sanfilippo, Chief Executive Officer and a director of Pinnacle, called Peter Carlino, Chairman of the Board of Penn and Chief Executive Officer and Chairman of the Board of GLPI, to discuss such a potential transaction, and Mr. Carlino indicated that the topic would require further consideration. During this conversation, Mr. Sanfilippo proposed an in-person meeting to allow Pinnacle to provide additional detail regarding the rationale for the potential transaction. Following his conversation with Mr. Sanfilippo, Mr. Carlino informed the other members of the Penn and GLPI boards of Pinnacle's inquiry. On January 9, 2017, Mr. Sanfilippo and Carlos Ruisanchez, President, Chief Financial Officer and a director of Pinnacle, met with Mr. Carlino and William Clifford, Chief Financial Officer and Treasurer of GLPI, in New York City and discussed the requirements for GLPI's consent to a potential acquisition of Penn by Pinnacle. On January 12, 2017, Mr. Clifford called Mr. Ruisanchez and advised him that GLPI had significant concerns regarding the additional risks GLPI would incur as a result of a combination transaction involving Pinnacle and Penn, including the increased tenant concentration and financial leverage of the combined company that would result from it, and accordingly GLPI would be unlikely to support such a transaction without these concerns being addressed and/or GLPI being appropriately compensated for them. Mr. Clifford provided perspectives on potential financial incentives that GLPI might find adequate.

On January 19, 2017, the Penn board held a meeting at which members of Penn management and representatives of Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton"), Penn's outside counsel, were in attendance. At the meeting, Mr. Carlino updated the Penn board regarding his recent conversations with Messrs. Sanfilippo and Ruisanchez, and the Penn board determined to undertake, with the assistance of senior management and Penn's advisors, a general review of Penn's strategic positioning, valuation and related matters.

On January 30, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs, Penn's lead financial advisor, and Wachtell Lipton were in attendance. At the meeting, the Penn board received an ordinary course update from its financial and legal advisors on Penn's strategic positioning, valuation and related matters. Also, at the meeting, the Penn board discussed the possibility of implementing a share repurchase program, which the Penn board had been considering since the fall of 2016, as a means to enhance shareholder value. On February 1, 2017, the Penn board held a follow-up meeting to discuss, among other things, certain supplemental analyses the Penn board had requested relating to a share repurchase program, and determined to approve a \$100 million share repurchase authorization.

On February 15, 2017, the Pinnacle board held a regularly scheduled meeting at which members of Pinnacle senior management were present to discuss, among other things, matters of strategic interest to Pinnacle. Mr. Sanfilippo updated the Pinnacle board on various topics, including management's interactions with GLPI. Following discussion, the Pinnacle board determined that, notwithstanding the need for GLPI's consent to such a transaction and GLPI's reaction following Pinnacle having raised the possibility of a combination transaction involving an acquisition of Penn by Pinnacle, the strategic rationale of such a combination was significant and that Pinnacle should send a letter to Penn proposing to acquire Penn at \$18 per share in an all-cash transaction.

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On February 16, 2017, Mr. Sanfilippo called Timothy Wilmott, Chief Executive Officer of Penn, to discuss Pinnacle's interest in an acquisition of Penn at \$18 per share in an all-cash transaction. Following the call, Mr. Sanfilippo sent a letter to Mr. Wilmott outlining the terms of the proposal, and called Mr. Carlino to inform him of the proposal made to Penn.

On February 17, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott reviewed the contents of Pinnacle's proposal with the Penn board, with preliminary input from Goldman Sachs regarding financial aspects of the proposal. Representatives of Wachtell Lipton discussed legal matters with the Penn board, including the fiduciary duties of directors in the context of considering an acquisition proposal. After discussion, the Penn board instructed management, with the assistance of Goldman Sachs and Wachtell Lipton, to undertake a thorough analysis of all aspects of Pinnacle's proposal and Penn's potential alternatives in responding to it, including exploring the possibility of an acquisition of Pinnacle by Penn.

Later on February 17, 2017, Mr. Wilmott emailed Mr. Sanfilippo to confirm receipt of Pinnacle's proposal and indicate that the Penn board would review it with the assistance of its advisors.

On February 22, 2017, Mr. Wilmott called Keith Smith, President and Chief Executive Officer of Boyd, to inquire on a preliminary basis regarding Boyd's potential interest in participating as a divestiture buyer if Penn were to pursue an acquisition of Pinnacle. Messrs. Wilmott and Smith agreed to schedule a meeting to discuss the matter in more detail the following week.

On February 24, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. The Penn board reviewed and discussed the analysis of Pinnacle's proposal and related matters that had been completed to date by Penn management, Goldman Sachs and Wachtell Lipton. The Penn board instructed Penn management and the advisors to continue their analysis of the alternatives available to Penn. Mr. Wilmott also informed the Penn board regarding his recent preliminary conversation with Mr. Smith, and the Penn board instructed Penn management to continue these discussions and to enter into a nondisclosure agreement with Boyd.

Over the course of the following week, representatives of Penn, Boyd, Wachtell Lipton and Morrison Foerster, outside counsel to Boyd, negotiated the terms of a confidentiality agreement, which included a mutual standstill. Penn and Boyd executed the confidentiality agreement on March 1, 2017.

On March 2, 2017, Mr. Wilmott and other members of Penn management met in Las Vegas with Mr. Smith and other members of Boyd's management to discuss Boyd's potential interest in participating as a divestiture buyer if Penn were to pursue an acquisition of Pinnacle. Mr. Smith informed Mr. Wilmott that Boyd would discuss the matter further internally and he would follow up with Mr. Wilmott within approximately the next week.

On February 28, 2017 and March 6, 2017, Mr. Sanfilippo called Mr. Wilmott to follow up on Pinnacle's proposal letter. Mr. Wilmott stated that Penn was reviewing the proposal.

On March 8, 2017, Mr. Smith called Mr. Wilmott to inform him that Boyd would be interested in continuing to discuss participating as a divestiture buyer in connection with an acquisition of Pinnacle by Penn.

Later on March 8, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. The Penn board discussed, among other things, the financial and strategic analyses completed to date regarding Pinnacle's proposal and Penn's alternatives in responding to it. Representatives of Wachtell Lipton reviewed legal matters, including the fiduciary duties of directors in the context of considering an acquisition proposal and other material transactions involving Penn such as an acquisition of Pinnacle.

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The Penn board instructed Penn management and the advisors to continue their analysis of the alternatives available to Penn. Mr. Wilmott also updated the Penn board regarding his recent conversation with Mr. Smith, and the Penn board instructed Penn management to continue discussions with Boyd. Penn management also discussed with the Board its intention to speak to Goldman Sachs and BofA Merrill Lynch (as defined below) regarding potential financing in case the Board determined that Penn should pursue an acquisition of Pinnacle.

On March 10, 2017, Mr. Sanfilippo sent a follow-up letter to Mr. Wilmott, along with a proposed form of confidentiality agreement in connection with the proposed discussions. Mr. Wilmott called Mr. Sanfilippo and confirmed that Penn would be providing a response to Pinnacle's proposal by the end of the following week.

On March 15, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. The Penn board continued its review of the alternatives available to Penn in connection with Pinnacle's proposal. Representatives of Goldman Sachs discussed financial aspects of Pinnacle's proposal with the Penn board, as well as financial considerations relating to a potential acquisition of Pinnacle by Penn. Representatives of Wachtell Lipton reviewed legal matters, including the fiduciary duties of directors in the context of considering an acquisition proposal and other material transactions involving Penn such as an acquisition of Pinnacle. After discussion, the Penn board unanimously determined to reject Pinnacle's proposal, concluding that it substantially undervalued Penn, did not reflect Penn's strategic value and growth prospects and was not in the best interests of Penn, including its shareholders and other constituencies. The Penn board also determined that an acquisition of Pinnacle by Penn had the potential to deliver substantial benefits to Penn's shareholders, and determined that Penn should make a proposal to acquire Pinnacle for \$23 per share in cash.

Later on March 15, 2017, Mr. Wilmott called Mr. Sanfilippo and advised that Penn would deliver to Pinnacle a letter rejecting Pinnacle's proposal and a letter proposing to acquire Pinnacle for \$23 per share in an all-cash transaction. Following the call, Penn delivered the two letters to Pinnacle.

On March 17, 2017, the Pinnacle board held a meeting to discuss the March 15 letters received from Penn, with members of senior management and representatives of J.P. Morgan, Pinnacle's financial advisor, and Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), Pinnacle's outside counsel in attendance. During such meeting, Messrs. Sanfilippo and Ruisanchez provided an update on communications with Penn since the last Pinnacle board meeting and discussed the terms of the two letters received from Penn on March 15. Representatives of J.P. Morgan provided a preliminary overview of the terms of Penn's March 15 proposal to acquire Pinnacle and reviewed J.P. Morgan's perspectives on possible alternatives that might be available to Pinnacle. Representatives of Skadden reviewed legal matters, including the fiduciary duties of directors in the context of considering a proposal for a potential strategic transaction involving Pinnacle. After discussion, the Pinnacle board requested that management and Pinnacle's advisors conduct further analysis of the proposal from Penn and other potential alternatives available to Pinnacle.

On March 24, 2017, the Pinnacle board held a meeting to further discuss the March 15 letters received from Penn, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Sanfilippo provided an update on developments since the last Pinnacle board meeting. Representatives of J.P. Morgan reviewed financial analyses of Penn's March 15 proposal to acquire Pinnacle and reviewed J.P. Morgan's perspectives on various alternatives that might be available to Pinnacle. Representatives of J.P. Morgan reviewed with the Pinnacle board the potential likelihood that parties other than Penn might have an interest in a transaction to acquire Pinnacle at price levels above the price Penn might be willing to pay and the potential risks to Pinnacle of reaching out to other parties. Representatives of Skadden reviewed legal matters, including the fiduciary duties of directors in the context of considering the proposal from Penn. After discussion, the

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Pinnacle board instructed management to contact Penn to obtain additional information regarding its proposal in the areas of regulatory, financing, third-party consents and diligence. Following the board meeting on March 24, 2017, Mr. Sanfilippo requested such additional information from Mr. Wilmott.

On March 29, 2017, the Pinnacle board held a meeting, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. Mr. Sanfilippo provided an update on communications with Penn and representatives of J.P. Morgan reviewed financial analyses of the March 15 proposal from Penn. After discussion, the Pinnacle board determined that the price included in the March 15 proposal from Penn was inadequate and undervalued Pinnacle, but that Pinnacle might be willing to engage in discussions with Penn regarding a transaction at a higher price to be identified.

Also on March 29, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott updated the Board on his recent communications with Mr. Sanfilippo, including the receipt of information requests. The Penn board also discussed, among other things, ways in which Penn might accelerate progress towards a transaction with Pinnacle as contemplated by Penn's March 15 proposal. At this meeting, the Penn board instructed Mr. Wilmott to contact Mr. Sanfilippo in order to discuss Pinnacle's questions regarding Penn's March 15 proposal, to be followed by a response in writing.

On March 30, 2017, members of senior management of Penn had a conference call with members of senior management of GLPI in order to discuss the circumstances and terms under which GLPI would consider consenting to an acquisition of Pinnacle by Penn. These discussions between Penn and GLPI and those that followed generally did not include Mr. Carlino, given his overlapping role at each company.

On March 31, 2017, Mr. Wilmott called Mr. Sanfilippo in order to discuss Pinnacle's questions regarding Penn's March 15 proposal. During this conversation, Mr. Sanfilippo indicated that Pinnacle intended to respond to Penn's proposal within the next week, and invited Mr. Wilmott and other members of Penn senior management in the meantime to visit Pinnacle's corporate services center located in Las Vegas in order to better understand another element of value that Pinnacle held for Penn.

On April 1, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott updated the other board members regarding his conversation with Mr. Sanfilippo and management's discussion with GLPI. The Penn board instructed Penn management to continue pursuing the proposed acquisition of Pinnacle, including by moving forward with discussions with each of Pinnacle, Boyd and GLPI.

Later on April 1, 2017, Penn provided responses to the questions that Pinnacle had posed. Mr. Sanfilippo and Mr. Wilmott spoke by telephone and arranged to have a meeting on April 4, 2017 with Mr. Wilmott and William Fair, Executive Vice President, Chief Financial Officer and Treasurer of Penn, and Messrs. Sanfilippo and Ruisanchez and Ginny Shanks, Executive Vice President and Chief Administrative Officer of Pinnacle, to discuss the additional information provided by Penn.

On April 3, 2017, Mr. Wilmott and other members of Penn senior management met with Mr. Smith and other members of senior management of Boyd in order to continue discussions with respect to Boyd's role as potential divestiture buyer in an acquisition of Pinnacle by Penn.

On April 4, 2017, the Pinnacle board held a meeting to receive an update regarding the status of Pinnacle's interactions with Penn and to further discuss Pinnacle's response to Penn's March 15 proposal, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During such meeting, Messrs. Sanfilippo and Ruisanchez reviewed Penn's responses to Pinnacle's questions regarding the Penn proposal. Representatives of J.P. Morgan reviewed financial analyses of Penn's March 15 proposal. After discussion, the Pinnacle board determined that Penn's March 15 proposal significantly undervalued Pinnacle and instructed management to reject Penn's

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March 15 proposal but to inform Penn that Pinnacle would be willing to entertain discussion of a transaction providing for cash consideration of \$28.50 per share of Pinnacle common stock.

On the same day, following the board meeting, Messrs. Sanfilippo and Ruisanchez and Ms. Shanks met with Messrs. Wilmott and Fair and discussed a potential transaction involving the acquisition of Pinnacle by Penn. After the meeting, Mr. Sanfilippo sent a letter to Mr. Wilmott rejecting Penn's March 15 proposal and stating that Pinnacle would be willing to engage in negotiations at a price of \$28.50 per share in cash.

On April 6, 2017, Mr. Wilmott called Mr. Sanfilippo and discussed a potential process for engagement involving entry into a confidentiality agreement between the parties to allow for the subsequent provision of limited confidential information by Pinnacle to Penn, which would enable Penn to better assess Pinnacle's April 4 response to Penn's proposal. Subsequent to that conversation, Messrs. Sanfilippo and Ruisanchez had a call with Mr. Wilmott and Justin Sebastiano, Vice President of Finance at Penn, and discussed the additional information being requested by Penn. Following the call, Mr. Ruisanchez sent to Messrs. Wilmott and Sebastiano a proposed confidentiality agreement containing a standstill provision.

On April 9, 2017, Mr. Wilmott and Mr. Sanfilippo held a subsequent call to discuss the confidentiality agreement and potential process for engagement. Mr. Wilmott stated that, at that time, Penn was seeking limited confidential information and was not prepared to agree to a standstill provision. Between April 9, 2017 and April 11, 2017, representatives of Pinnacle and Penn held several calls to discuss the terms of the confidentiality agreement.

On April 10, 2017, members of Penn senior management met with members of GLPI senior management to discuss structural and process matters related to obtaining GLPI's consent to Penn's potential acquisition of Pinnacle.

On April 12, 2017, Pinnacle and Penn entered into a confidentiality agreement that did not contain a standstill provision. Pinnacle subsequently provided preliminary summary financial information to Penn and representatives of Pinnacle and Penn had several calls to discuss the diligence information.

On April 13, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. At the meeting, the Penn board discussed, among other things, the current status of discussions with Pinnacle, Boyd and GLPI. The Penn board instructed Penn management to continue these discussions.

Also on April 13, 2017, Penn sent a draft preliminary, non-binding term sheet (the "divestitures term sheet") to Boyd, relating to Boyd's potential role as divestiture buyer in a potential acquisition of Pinnacle by Penn.

On April 20, 2017, Mr. Fair met with a representative of management of GLPI to communicate a proposal regarding potential terms pursuant to which GLPI would consent to Penn's acquisition of Pinnacle.

On April 21, 2017, representatives of senior management of Penn and Boyd had a telephone call regarding Boyd's proposed revisions to the divestitures term sheet, which Boyd had sent earlier that day.

Also on April 21, 2017, Mr. Fair contacted Mr. Ruisanchez again to state that Penn would be sending a response to Pinnacle following Penn's announcement of earnings on April 27, 2017. In a subsequent conversation between Messrs. Sanfilippo and Wilmott, Mr. Wilmott indicated the same timing on a response from Penn.

On April 24, 2017, Messrs. Ruisanchez and Geoffrey Goodman, Vice President of Business Development & Strategic Initiatives of Pinnacle, held a telephonic conference call with Messrs. Fair

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and Sebastiano and Jay Snowden, President and Chief Operating Officer of Penn, during which the participants discussed matters including Pinnacle's first quarter results and certain financial matters.

On April 26, 2017, Mr. Fair had a follow up meeting with Steven Snyder, GLPI's Senior Vice President of Development, to discuss Penn's proposal regarding terms to obtain GLPI's consent to Penn's potential acquisition of Pinnacle.

On April 27, 2017, Mr. Wilmott called Mr. Sanfilippo and requested that the parties meet to discuss an additional due diligence review that Penn proposed to conduct before it would be in a position to make a revised proposal to Pinnacle. Mr. Sanfilippo responded that he would raise the request with the Pinnacle board, but that he believed the information already provided by Pinnacle to Penn should be sufficient to enable Penn to make a revised proposal.

On April 27, 2017, Penn sent a revised draft of the divestitures term sheet to Boyd.

On April 27 and April 28, 2017, Mr. Fair had telephone discussions with the Josh Hirsberg, the Chief Financial Officer and Treasurer of Boyd, regarding landlord and real property matters.

On May 1, 2017, the Pinnacle board held a regularly scheduled meeting, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Sanfilippo provided an update on communications with Penn, including Penn's request for additional diligence materials from Pinnacle. Representatives of J.P. Morgan and management reviewed potential courses of action available to Pinnacle, including the possibility of contacting other parties to explore their potential interest in a potential transaction with Pinnacle and the potential risks to Pinnacle of reaching out to other parties. After discussion, the Pinnacle board concluded that Pinnacle should reject Penn's request for more information and press Penn for a response to Pinnacle's counterproposal by May 5, 2017, and determined not to contact other parties at that time. On May 2, 2017, Mr. Sanfilippo called Mr. Wilmott and, as instructed by the Pinnacle board, requested that Penn provide a response by May 5, 2017. Mr. Wilmott agreed to the requested timing.

Also on May 2, 2017, Penn sent a revised draft of the divestitures term sheet to Boyd.

On May 5, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott updated the Penn board regarding recent discussions with Pinnacle, Boyd and GLPI. Goldman Sachs reviewed with the Penn board certain financial analyses with respect to an acquisition of Pinnacle, taking into account the potential transactions being discussed with Boyd and GLPI. Following these discussions, the Penn board instructed Penn management to submit a revised proposal to acquire Pinnacle for \$25 per share in cash, and to continue discussions with Pinnacle, Boyd and GLPI.

Later on May 5, 2017, Mr. Wilmott called Mr. Sanfilippo and indicated that Penn intended to submit a revised proposal letter to acquire Pinnacle for cash consideration of \$25 per share. Subsequently, Penn delivered the revised proposal letter to Pinnacle reflecting a \$25 per share price in an all-cash transaction.

On May 8, 2017, the Pinnacle board held a meeting to discuss the May 5 proposal from Penn, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Sanfilippo provided an update on latest communications with Penn and representatives of J.P. Morgan reviewed financial analyses of the May 5 revised proposal from Penn. After discussion, the Pinnacle board determined to reject Penn's revised proposal of \$25 per share as inadequate and instructed management to communicate this rejection to Penn, but to indicate that the Pinnacle board remained willing to engage in discussions of a potential transaction at a higher price if Penn was able to do so without undue delay and that in connection therewith, Pinnacle would be willing to provide additional diligence materials to Penn to enable Penn to improve its proposed price. Following the meeting on May 8, 2017, Mr. Sanfilippo called Mr. Wilmott and delivered that message.

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Mr. Sanfilippo requested that Penn provide a list of any additional due diligence requests and indicated that the parties would need to enter into an enhanced confidentiality agreement prior to Pinnacle providing any such additional confidential information to Penn.

Also on May 8, 2017, members of Penn senior management had discussions with members of management of each of Boyd and GLPI regarding the divestitures term sheet and the potential terms under which GLPI would consent to the acquisition of Pinnacle, respectively.

On May 11, 2017, representatives of Pinnacle and Penn had a call and discussed the additional information requested by Penn and next steps including (1) executing a revised confidentiality agreement which would contain a standstill provision, (2) Pinnacle providing Penn with the additional information requested, following execution of the revised confidentiality agreement, and (3) a meeting between Pinnacle and Penn management teams to address Penn's diligence questions. Following this call, Pinnacle sent Penn a revised confidentiality agreement containing a standstill provision to Penn. Between May 11 and May 16, 2017, Carl Sottosanti, Executive Vice President, General Counsel and Secretary of Penn, and Donna Negrotto, Executive Vice President, General Counsel and Secretary of Pinnacle also had several conversations about the terms of the proposed confidentiality agreement, including the terms of a standstill provision.

On May 12, 2017, Boyd sent a revised draft of the divestitures term sheet to Penn.

On May 16, 2017, following a discussion between Messrs. Sanfilippo and Wilmott, Pinnacle and Penn entered into the revised confidentiality agreement containing a standstill provision that would expire by October 1, 2017.

On May 17, 2017, the Pinnacle board held a meeting, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. The Pinnacle board reviewed and discussed the additional materials to be shared with Penn, including Pinnacle's management presentation and a term sheet outlining Pinnacle's expectations regarding key deal terms for a potential transaction with Penn (the "merger agreement term sheet").

On May 18, 2017, Messrs. Sanfilippo, Ruisanchez and Goodman and Ms. Negrotto, met with Messrs. Wilmott, Fair, Snowden and Sottosanti. During the meeting, Pinnacle management reviewed with Penn information regarding Pinnacle and its prospects, and Pinnacle's proposed merger agreement term sheet. Penn management discussed the status of Penn's negotiations with each of GLPI and the divestiture buyer (which Penn did not specifically identify as Boyd).

On May 20, 2017, Penn sent a revised draft of the divestitures term sheet to Boyd.

On May 23, 2017, Mr. Sanfilippo called Mr. Wilmott to discuss the additional materials that had been provided by Pinnacle and anticipated next steps by Penn. Mr. Wilmott stated that Penn did not need any additional information at that point in order to provide a revised proposal and that he would contact Mr. Sanfilippo to discuss the status of the process in an effort to achieve a preliminary understanding on the principal terms of a transaction by the end of May. On May 25, 2017, Mr. Wilmott called Mr. Sanfilippo to inform him that the Penn board had scheduled a meeting for May 31, 2017, and that Penn would be sending a mark-up of the merger agreement term sheet.

On May 27, 2017, Penn sent a revised draft of the divestitures term sheet to Boyd.

In the week leading up to Penn's May 31, 2017 board meeting, members of Penn management had several discussions with members of management of each of Boyd and GLPI in an effort to reach understandings regarding key economic terms with each party, but such understandings could not be reached at that time.

On May 31, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott updated the

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other board members regarding his recent conversation with Mr. Sanfilippo, as well as the current status of discussions with each of Boyd and GLPI, noting that additional negotiations with each party would be required before Penn could have an acceptable degree of certainty with respect to the key economic terms upon which each party would be willing to transact. The Penn board determined that it would not be advisable to submit a revised proposal to Pinnacle until it understood the key economic terms of the transactions with Boyd and GLPI. The Penn board authorized and instructed Mr. Wilmott to communicate to Mr. Sanfilippo that Penn was continuing to work diligently towards finalizing the details of its transactions with its divestiture buyer and GLPI in order to offer an enhanced proposal to Pinnacle, but had not yet been able to do so. In addition, the Penn board authorized Mr. Carlino to reach out to Mr. Sanfilippo to emphasize Penn's continued interest in an acquisition and to assure Mr. Sanfilippo that Penn was making progress on its revised proposal, including in its discussions with Boyd and GLPI.

Later on May 31, 2017, each of Messrs. Carlino and Wilmott separately called Mr. Sanfilippo and conveyed the respective messages which had been discussed with the Penn board earlier that day. Mr. Sanfilippo responded in each case to the effect that he would update the Pinnacle board accordingly, but that he did not believe it would be in the best interests of Pinnacle and its stockholders to wait indefinitely for Penn's response at the cost of losing other potential opportunities, and that Pinnacle might have to move on to pursuing other potential opportunities.

On June 1, 2017, the Pinnacle board held a meeting to discuss the latest communications with Penn, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, representatives of J.P. Morgan reviewed perspectives regarding the last proposal from Penn as well as strategic alternatives available to Pinnacle in addition to a transaction with Penn. After discussion, the Pinnacle board instructed management to move forward with considering other transactions.

Throughout June 2017, management of Penn sought to advance negotiations with GLPI regarding the terms of its consent to Penn's proposed acquisition of Pinnacle and negotiations with Boyd regarding the divestitures term sheet, and communicated regularly with GLPI and Boyd, respectively, in furtherance thereof.

On June 12, 2017, GLPI sent Penn a revised proposal setting forth terms on which GLPI would be willing to consent to an acquisition of Pinnacle by Penn.

On June 12, 2017, the Pinnacle board held a meeting to further discuss strategic alternatives available to Pinnacle, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Ruisanchez and representatives of J.P. Morgan reviewed potential strategic alternatives to a transaction with Penn, including maintaining the status quo, pursuing one or more acquisitions of potential targets in the gaming industry or pursuing the sale of Pinnacle to a potential buyer other than Penn. After discussion, the Pinnacle board reiterated its instruction to management to move forward with considering other transactions.

On June 13, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. The Penn board discussed, among other things, recent developments and next steps with respect to the Penn's negotiations with GLPI. Messrs. Carlino and Handler did not attend the meeting in light of their roles as GLPI's Chairman and Chief Executive Officer and a member of GLPI's board of directors, respectively. Mr. Wilmott reviewed with the Penn board GLPI's revised proposal with input from representatives of Goldman Sachs. Representatives of Wachtell Lipton discussed legal matters. Following discussion of GLPI's proposal, the Penn board instructed management to continue negotiations with GLPI.

On June 14, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott updated the

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Penn board with respect to the ongoing negotiations with Boyd. Mr. Wilmott noted that progress had been made in discussions with Boyd and Penn management anticipated being able to reach substantially final agreement in principle with respect to the divestitures term sheet in the near future. The Penn board discussed the terms of the current draft of the divestitures term sheet and instructed Penn management to continue negotiations.

On June 20, 2017, Mr. Fair sent to members of GLPI management a counterproposal with respect to the proposed terms upon which GLPI would consent to an acquisition of Pinnacle by Penn, along with an analysis of the financial aspects of the proposal.

On June 26, 2017, Mr. Snyder called Mr. Fair regarding Penn's revised proposal. Mr. Snyder indicated that the parties appeared to be close to reaching agreement in principle and that management of GLPI was prepared to recommend such terms to the GLPI board (other than Messrs. Carlino and Handler, who recused themselves) subject to several proposed revisions, which Messrs. Fair and Snyder then discussed.

On June 28, 2017, Messrs. Fair and Sottosanti had a call with Brian Larson, Executive Vice President, General Counsel and Secretary of Boyd, and Mr. Hirsberg to discuss the status of the divestitures term sheet and how the parties might reach resolution on open items.

On June 29, 2017, Mr. Fair sent Mr. Snyder a proposed form of non-binding term sheet with respect to GLPI's consent to an acquisition of Pinnacle by Penn, which reflected the June 26, 2017 discussion between Messrs. Fair and Snyder (the "real estate transactions term sheet").

On July 5, 2017, Mr. Snyder confirmed to Mr. Fair that, subject to final approval by the GLPI board (other than Messrs. Carlino and Handler, who recused themselves), GLPI would be willing to provide its consent to an acquisition of Pinnacle by Penn National on the terms described in the real estate transactions term sheet. Following this conversation, on July 7, 2017, Mr. Sottosanti and Mr. Brandon Moore, Senior Vice President, General Counsel and Secretary of GLPI, made certain clarifications with respect to the terms of the real estate transactions term sheet and then agreed that the real estate transactions term sheet was in substantially final form.

On July 8, 2017, Mr. Sottosanti sent Mr. Larson a revised draft of the divestitures term sheet, updated to reflect Penn's positions based on the discussions between the parties during the preceding several weeks.

On July 10, 2017 and July 11, 2017, Messrs. Larson and Sottosanti exchanged drafts and had discussions regarding the divestitures term sheet, culminating with Mr. Sottosanti circulating to Mr. Larson a draft of the divestitures term sheet which each agreed was in substantially final form.

On July 19, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs and Wachtell Lipton were in attendance. Mr. Wilmott provided an update with respect to the status of negotiations with each of Boyd and GLPI, noting that Penn management had reached detailed non-binding understandings with each of them. The Penn board reviewed the understandings that had been reached with Boyd and GLPI, with input from management and representatives of Goldman Sachs and Wachtell Lipton, in the context of a potential revised proposal to acquire Pinnacle. After discussion, the Penn board instructed Mr. Wilmott to communicate a revised proposal to Pinnacle in which Penn would acquire Pinnacle for \$25.50 per share in cash.

On July 21, 2017, Mr. Wilmott called Mr. Sanfilippo to update him regarding the status of Penn's third-party discussions and advise that Penn would be submitting a revised proposal letter with a price of \$25.50 per share, which letter was delivered to Mr. Sanfilippo following the call. Mr. Sanfilippo told Mr. Wilmott that the proposed price of \$25.50 per share was disappointing, but indicated that the Pinnacle board would review the revised proposal and provide a response to Penn.

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On July 25, 2017, Mr. Ruisanchez had a call with Mr. Fair to discuss the real estate transactions term sheet and the divestitures term sheet.

On July 26, 2017, the Pinnacle board held a meeting to discuss the July 21 revised proposal from Penn, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Sanfilippo provided an update on communications with Penn. Representatives of J.P. Morgan reviewed financial analyses of the July 21 revised proposal from Penn and perspectives on potential responses to Penn's revised proposal available to Pinnacle. After discussion, the Pinnacle board determined not to come to a decision on how to respond to Penn at that time, but to defer action until it had an opportunity to review potential strategic initiatives at the Pinnacle board meeting previously scheduled to be held the following week.

On August 3, 2017, the Pinnacle board held a meeting to review potential strategic initiatives, with members of senior management in attendance and representatives of J.P. Morgan and Skadden in attendance during a portion of the meeting. During the meeting, representatives of J.P. Morgan reviewed, and the Pinnacle board discussed, among other things, considerations involved in a negotiated transaction with Penn, as well as a process involving other potential buyers as an alternative to a negotiated process with Penn. The Pinnacle board discussed whether to contact additional parties and determined not to do so at that time in light of considerations including (i) a low likelihood of significant interest in a transaction by other industry participants, supported by the fact that there had been no in-bound indications of interest in an acquisition of Pinnacle from any other party, and (ii) the belief that if Pinnacle were to contact other parties, there was a significant risk of disruption to Pinnacle's business. Taking into account J.P. Morgan's financial analyses, the Pinnacle board determined that \$28.50 in cash per share (plus \$1.00 per share if the transaction were completed after May 31, 2018) was the appropriate value with which to respond to Penn's proposal at that time, and instructed management to deliver that response to Penn.

Following the meeting, Mr. Sanfilippo informed Mr. Wilmott of Pinnacle's response and proposal of \$28.50 in cash per share (plus \$1.00 per share if the transaction were completed after May 31, 2018), and that if Penn was not able to improve its proposal to reflect such a price, it would be in the best interests of Pinnacle and its stockholders to conclude the process of pursuing a transaction with Penn. Following the call, Mr. Sanfilippo sent to Mr. Wilmott Pinnacle's response letter and a proposed revised merger agreement term sheet.

On August 11, 2017, Mr. Wilmott called Mr. Sanfilippo to discuss Pinnacle's counterproposal. Among other things, Mr. Wilmott discussed with Mr. Sanfilippo the possibility of the parties exploring alternative transaction structures such as contingent consideration based on the value of certain non-core Pinnacle assets that would be realized upon sale of such assets to a third party. Mr. Sanfilippo indicated that Pinnacle was unlikely to be interested in pursuing such alternative structures that did not offer adequate value certainty, and Mr. Wilmott informed Mr. Sanfilippo that Penn was not willing to pursue an acquisition of Pinnacle on the terms Pinnacle had proposed. Following the call, the parties ceased discussion of a potential transaction.

On September 27, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs, BofA Merrill Lynch, which was retained by Penn as a financing source and financial advisor in connection with the merger, and Wachtell Lipton were in attendance. At the meeting, the Penn board discussed, among other things, the possibility of re-engaging with Pinnacle regarding a potential transaction, including exploring whether transactions structures other than the all-cash acquisition the parties had previously discussed might facilitate achieving a mutually agreeable transaction. The Penn board reached the consensus that an acquisition of Pinnacle should include an equity component and that Mr. Wilmott should reach out to Mr. Sanfilippo to determine if Pinnacle would be receptive to re-engaging in discussions. Following the meeting, Mr. Wilmott contacted

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Mr. Sanfilippo to indicate that he would be in Las Vegas for the Global Gaming Expo conference in the first week of October and to propose a meeting during that time.

On October 4, 2017, Messrs. Sanfilippo and Wilmott met in Las Vegas for lunch. During the meeting, Mr. Wilmott informed Mr. Sanfilippo that the Penn board had met the previous week and had directed Mr. Wilmott to ask if Pinnacle would consider an acquisition by Penn for a combination of cash and Penn equity. Mr. Wilmott said that such terms would allow for Pinnacle's stockholders to benefit from the expected synergies of the potential transaction. Mr. Wilmott also asked that Goldman Sachs be allowed to engage with J.P. Morgan to review the work Goldman Sachs had done on the revised potential structure. Mr. Sanfilippo confirmed that Goldman Sachs should feel free to engage with J.P. Morgan to have that discussion and that he believed the Pinnacle board would be willing to consider a cash and stock proposal if it provided adequate value and was otherwise in the best interests of Pinnacle's stockholders. On October 4, 2017, Mr. Sanfilippo updated the Pinnacle board of his discussion that day with Mr. Wilmott.

On October 5, 2017, the Wall Street Journal published an article about merger rumors involving Pinnacle and Penn.

On October 8, 2017, representatives of Goldman Sachs and J.P. Morgan discussed possible transaction structures. At the end of the conversation, representatives of J.P. Morgan told representatives of Goldman Sachs that to move the process forward, Penn would need to submit a revised written proposal.

Also on October 8, Mr. Wilmott and Mr. Sanfilippo had a call in which Mr. Sanfilippo indicated that, to the extent Penn wished to make a revised proposal, it should do so as soon as possible. Mr. Sanfilippo also conveyed that the Pinnacle board and management had confidence in Pinnacle's prospects and that Penn should not assume that a proposal at \$28.50 per share, which was the price Pinnacle had counterproposed during the parties' previous discussions, would be sufficient.

On October 9, 2017, the Pinnacle board held a regularly scheduled meeting, during which Mr. Sanfilippo advised the Pinnacle board that based on his conversations with Mr. Wilmott, he expected to receive a revised proposal from Penn.

On October 12, 2017, the Penn board held a meeting at which members of senior management were in attendance. At the meeting, Mr. Wilmott provided an update on his recent conversations with Mr. Sanfilippo. The Penn board reviewed potential transaction structures and next steps with respect to negotiations with Pinnacle. Among other things, the Penn board discussed with Penn management the significant potential synergies and strategic benefits which made an acquisition of Pinnacle a compelling opportunity, and the generally favorable operating environment in the regional gaming industry at that time, from which both Penn and Pinnacle were benefiting. After discussion, the Penn board instructed Mr. Wilmott to communicate a revised proposal with a transaction price, for each share of Pinnacle common stock, consisting of (1) \$19 in cash, (2) 0.393 shares of Penn common stock and (3) contingent consideration based on the value of certain Pinnacle's non-core assets that would be realized upon sale of such assets to a third party (the "October Proposal").

On October 13, 2017, Mr. Wilmott called Mr. Sanfilippo to present him with the October Proposal. Mr. Wilmott stated that such a proposal would be subject to Penn receiving access to Pinnacle's third quarter financial information. Mr. Sanfilippo responded to Mr. Wilmott that he did not believe Penn's proposal as described to him was sufficiently compelling to cause Pinnacle to change its course and that Pinnacle would not provide access to non-public information at that time based on such a proposal. Mr. Wilmott said he would take this back to Penn's management and advisors and would contact Mr. Sanfilippo that week.

On October 16, 2017, the Pinnacle board held a meeting to discuss the October 13 verbal proposal from Penn, with members of senior management and representatives of J.P. Morgan and Skadden in

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attendance. During the meeting, Mr. Sanfilippo provided an update on communications with Penn. Representatives of J.P. Morgan and Mr. Ruisanchez (i) reviewed preliminary financial analyses of the October 13 verbal proposal from Penn, (ii) provided financial perspectives on the change in the form of consideration offered in Penn's verbal proposal and (iii) reviewed perspectives on strategic alternatives available to Pinnacle, including whether to contact additional parties. Representatives of Skadden reviewed legal matters. After discussion, the Pinnacle board determined not to come to a decision on a response to Penn at that time, but to defer action until Penn provided a revised proposal in writing.

On October 25, 2017, Mr. Wilmott called Mr. Sanfilippo to advise him that Penn had decided to deliver a written proposal reflecting the same price that Mr. Wilmott had verbally communicated to Mr. Sanfilippo on October 13, 2017. Mr. Wilmott requested that members of Penn and Pinnacle senior management and their respective financial advisors meet during the week of October 30, so that Penn could demonstrate the attractiveness to Pinnacle's stockholders of receiving Penn equity as part of the merger consideration. Mr. Wilmott delivered Penn's written proposal to Pinnacle subsequent to their call, which reflected the terms of the October Proposal.

On October 29, 2017, the Pinnacle board held a meeting to discuss the October 25 proposal from Penn, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Sanfilippo provided an update on his communications with Penn and Mr. Ruisanchez provided an update on the status of a strategic buy-side opportunity being considered by Pinnacle. Representatives of J.P. Morgan reviewed financial analyses of the October 25 proposal from Penn and provided perspectives on potential strategic alternatives that might be available to Pinnacle, including continuing to pursue Pinnacle's strategic plan on a standalone basis, pursuing a sale of Pinnacle to Penn or another potential buyer, pursuing a potential acquisition of a target in a sale process or pursuing a leveraged recapitalization. Representatives of Skadden reviewed legal matters. The Pinnacle board discussed the alternatives potentially available to Pinnacle, and the relative probability and attractiveness of those alternatives compared to the revised proposal from Penn, including the potential risks to Pinnacle of reaching out to other parties. After discussion, the Pinnacle board determined that the meeting with Penn should proceed as discussed, Pinnacle should not send a written response to Penn at that time, and that additional next steps could be considered following the meeting with Penn.

On October 31, 2017, the Penn board held a meeting at which representatives of senior management, Goldman Sachs, BofA Merrill Lynch and Wachtell Lipton were in attendance. Mr. Wilmott provided an update on his recent conversations with Mr. Sanfilippo. After discussion, the Penn board instructed Penn management to continue negotiations with Pinnacle towards a mutually agreeable transaction.

On November 1, 2017, Messrs. Sanfilippo and Ruisanchez met with Messrs. Wilmott and Fair, with a representative of each of J.P. Morgan and Goldman Sachs in attendance, to discuss Penn's October 25 proposal. Following the meeting, Messrs. Sanfilippo, Ruisanchez and the representative of J.P. Morgan called Charles Atwood, the Lead Independent Director of the Pinnacle board, to provide him with an update on the meeting. Mr. Sanfilippo forwarded to the Pinnacle board materials provided by Penn during the meeting.

On November 6, 2017, the Pinnacle board held a meeting to discuss Pinnacle's response to Penn's October 25 proposal, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, management provided perspectives on Pinnacle's business and future growth prospects. Representatives of J.P. Morgan (i) reviewed J.P. Morgan's financial analyses of Penn's October 25 proposal, (ii) provided perspectives on potential process alternatives available to Pinnacle, (iii) provided perspectives on likelihood of interest from parties other than Penn in a potential transaction with Pinnacle and (iv) provided financial perspectives on potential responses by Pinnacle. In addition, representatives of Skadden reviewed legal matters. The Pinnacle board

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discussed the various alternatives and considerations including parties that could be potentially interested in pursuing a transaction with Pinnacle, potential process alternatives, the uncertainty as to whether any other party would make an attractive offer for Pinnacle and the lack of outreach to date from third parties other than Penn, the risks of contacting other parties in addition to Penn, and the potential to use discussions solely with Penn to obtain a higher value or other better terms than might be available if the process were opened to other third parties. After discussion, the Pinnacle board determined that management should continue discussions with Penn and not contact other parties at that time. In addition, the Pinnacle board concluded that while Penn's October 25 proposal represented a significant improvement from the prior proposal, it did not reflect a transaction price which the Pinnacle board was prepared to accept given Pinnacle's standalone growth projections, Penn's ability to pay and the potential synergies of a combination. The Pinnacle board instructed management to respond to Penn with a proposed price for each Pinnacle share of \$20.50 in cash and 0.435 shares of Penn common stock, without any contingent consideration.

On November 7, 2017, Mr. Sanfilippo called Mr. Wilmott and, in accordance with the Pinnacle board's direction, relayed Pinnacle's response and subsequently sent a response letter and revised merger agreement term sheet to Penn. Mr. Wilmott stated that Penn would provide a response in due course.

On November 8, 2017, Mr. Wilmott had a call with Mr. Smith in order to confirm the parties' agreement in principle regarding the scope of the Boyd divestitures.

On November 9, 2017, Mr. Sanfilippo provided Mr. Wilmott with a summary of third quarter earnings and related analyst research notes, indicating that he thought this information might be helpful to Penn in assessing Pinnacle's response.

On November 10, 2017, Mr. Wilmott called Mr. Sanfilippo and advised him that the Penn board would be meeting on November 13, 2017 to discuss Pinnacle's response and that he would call Mr. Sanfilippo with an update following the Penn Board meeting.

On November 13, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs, BofA Merrill Lynch and Wachtell Lipton were in attendance. Mr. Wilmott provided an update on his recent communications with Mr. Sanfilippo, and the Penn board discussed a potential revised proposal to acquire Pinnacle. Representatives of Goldman Sachs reviewed with the Penn board certain financial analyses with respect to a transaction, and representatives of Wachtell Lipton discussed legal matters. After discussion, the Penn board instructed Mr. Wilmott to communicate a revised proposal with a transaction price, for each share of Pinnacle common stock, consisting of \$19.50 in cash and 0.435 of a share of Penn common stock, and thereafter to continue price negotiations with Mr. Sanfilippo, with any understanding that might be reached subject to negotiation of definitive documentation and final board approval.

Later on November 13, 2017, Mr. Wilmott called Mr. Sanfilippo following the Penn board meeting and verbally conveyed Penn's revised proposal of \$19.50 in cash and 0.435 of a share of Penn common stock for each Pinnacle share. Mr. Sanfilippo responded that he did not believe such a proposal would be acceptable to the Pinnacle board, and after additional discussions on price, Mr. Wilmott proposed a price of \$20 in cash and 0.420 of a share of Penn common stock for each Pinnacle share (the "November 13 Proposal"). Mr. Sanfilippo stated that he could support bringing such a proposal to the Pinnacle board. Subsequent to the call, Penn delivered a letter to Pinnacle confirming the revised proposal.

On November 14, 2017, the Pinnacle board held a meeting to discuss the November 13 Proposal, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During the meeting, Mr. Sanfilippo provided an update on communications with Penn. Representatives of J.P. Morgan provided financial analyses of Pinnacle and the November 13 Proposal. After discussion, the Pinnacle board authorized management to pursue negotiation of a definitive agreement with Penn based on the terms proposed in the November 13 Proposal, and to pursue negotiation of the other terms as reflected in the merger agreement term sheet previously proposed by Pinnacle.

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On November 14, 2017, Mr. Sanfilippo called Mr. Wilmott advising him that the Pinnacle board had authorized Pinnacle's management to move forward with a negotiation of a transaction based on the price set forth in the November 13 Proposal and subject to substantially similar other terms as outlined in the letter and merger agreement term sheet sent by Pinnacle to Penn on November 7. During the call, Mr. Wilmott identified Boyd to Mr. Sanfilippo as the proposed divestiture buyer with which Penn negotiated the divestitures term sheet. Later that day, Penn sent Pinnacle a revised draft of the merger agreement term sheet.

On November 16, 2017, members of Penn's management and Pinnacle's management held a call to discuss proposed next steps. On that same day, Mr. Sanfilippo called Mr. Carlino to confirm that Penn and GLPI had an agreement in principle regarding the real estate transactions. Mr. Sanfilippo subsequently called Mr. Smith to confirm that Penn and Boyd had an agreement in principle regarding the Boyd divestitures.

During the period between November 14, 2017 and November 16, 2017, members of Penn's management and Pinnacle's management also negotiated open issues in the merger agreement term sheet, including the required standard for divesting properties in connection with obtaining regulatory approvals, termination fees, end date and treatment of outstanding equity awards.

On November 18, 2017, members of Penn's management and Pinnacle's management held a call to discuss the due diligence process.

On November 21, 2017, Skadden provided Wachtell Lipton with a draft merger agreement.

During the period from November 21, 2017 through December 16, 2017, Pinnacle, Penn, Boyd and GLPI's managements and respective advisors worked to finalize the definitive transaction documents, in addition to due diligence reviews by Penn, Boyd and GLPI of Pinnacle (or its applicable assets) and Pinnacle's due diligence review of Penn.

On November 28, 2017, members of Pinnacle's management and Boyd's management held a call to discuss due diligence.

On November 29, 2017, Messrs. Sanfilippo and Wilmott discussed by telephone various matters regarding the due diligence process and negotiation of a definitive merger agreement. On that same day, Wachtell Lipton sent to Skadden a revised draft of the merger agreement.

On November 30, 2017, the Wall Street Journal published an article regarding possible negotiations between Penn and Pinnacle. Penn and Pinnacle management teams participated in various calls to discuss the parties' potential response to the article. After such discussions, Pinnacle and Penn issued separate releases confirming that the parties were in discussions.

On that same day, members of Pinnacle's management and Boyd's management held a call to discuss the due diligence process.

On December 2, 2017, members of Penn's management and Pinnacle's management team held a call to discuss key open items based on Penn's November 29, 2017 draft of the merger agreement. Key issues discussed included, among others, the triggers and duration of a marketing period in connection with Penn's financing of the proposed transaction, the financing cooperation covenants and financing representations made by Penn, provisions related to the regulatory approval process, certain interim operating covenants, treatment of Pinnacle equity awards and other employee matters and circumstances under which termination fees would be payable.

During the period from December 3, 2017 to December 10, 2017, representatives of Skadden and Wachtell Lipton discussed and negotiated open legal issues in the draft merger agreement and disclosure schedules, and members of Penn, Pinnacle, Boyd and GLPI managements participated in

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calls discussing due diligence matters, open business points in the transaction agreements and other matters.

During the same period, Wachtell Lipton sent to Skadden drafts of the divestiture agreement and the real estate transaction agreements (such agreements, together with the merger agreement, the "transaction agreements"). The parties participated in several calls to discuss and negotiate open legal and business issues in the draft transaction agreements, and Skadden and Wachtell Lipton exchanged several revised versions of the draft transaction agreements reflecting the parties' discussions. Also during the same period, members of Pinnacle's management, Penn's management, GLPI's management, Boyd's management and each of their respective financial and legal advisors participated in various telephone calls to negotiate and resolve open business and legal issues in the applicable transaction agreements.

On December 7, 2017 and December 8, 2017, the Pinnacle board held a regularly scheduled meeting with members of senior management and representatives of J.P. Morgan and Skadden in attendance for a portion of the meeting. During such meeting, management provided the Pinnacle board with a summary of key due diligence findings on Penn, an update on the status of the transaction and an overview of key open deal points. Representatives of Skadden reviewed legal matters and the terms of the merger agreement, including open points. Representatives of J.P. Morgan reviewed financial analyses in connection with the proposed transaction. During an executive session of non-management directors, a representative of Skadden reviewed the treatment of equity awards and the equity acceleration and severance to which senior management would be entitled. After discussion, the Pinnacle board instructed management to continue negotiations with Penn.

On December 13, 2017, the Penn board held a meeting at which members of Penn management and representatives of Goldman Sachs, BofA Merrill Lynch and Wachtell Lipton were in attendance. At this meeting, the Penn board reviewed and discussed the status of due diligence and negotiations with Pinnacle and the potential transactions with each of Pinnacle, Boyd and GLPI. Penn management provided an update on the status of the negotiations of the transaction agreements with each of Pinnacle, Boyd and GLPI. Penn management and representatives of BofA Merrill Lynch reviewed Penn's financing plan and the current state of negotiations with Penn's financing sources regarding debt financing commitments for the merger. Representatives of Wachtell Lipton reviewed legal matters, including the fiduciary duties of directors in the context of considering the proposed transactions. Representatives of Wachtell Lipton also reviewed the terms of the draft merger agreement, divestiture agreement and real estate transaction agreements. Representatives of Goldman Sachs reviewed Goldman Sachs' financial analysis of the proposed transactions. After discussion among the full Penn board, Messrs. Carlino and Handler, as well as the members of Penn management and representatives of Goldman Sachs and BofA Merrill Lynch, exited the meeting in order to permit the non-overlapping directors to discuss the merger, the Boyd divestitures and the real estate transactions among themselves. Following this session of the non-overlapping directors, the other members of the Penn board and representatives of Goldman Sachs and BofA Merrill Lynch returned to the meeting. After additional discussion, the Penn board instructed Penn management and the advisors to continue negotiations with Pinnacle, Boyd and GLPI.

On December 14, 2017, the Pinnacle board held a meeting to consider the Penn proposal and terms of the merger agreement, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. During such meeting, management provided an update on the status of the negotiations of the transaction agreements with each of Penn, Boyd and GLPI. Representatives of Skadden reviewed legal matters, including the fiduciary duties of directors in the context of considering the proposed transactions. Representatives of Skadden also reviewed the terms of the draft transaction agreements and described changes to such documents since the last meeting of the Pinnacle board. Representatives of J.P. Morgan reviewed J.P. Morgan's financial analyses of the proposed transactions.

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Following these board meetings and continuing through December 17, 2017, representatives of the parties further negotiated and reached resolution on the remaining open points in the merger agreement, which included, among other things, the triggers and duration of a marketing period in connection with Penn's financing of the proposed transactions, the financing cooperation covenants and financing representations made by Penn, provisions related to the regulatory approval process and circumstances under which termination fees would be payable. During the same period, representatives of the applicable parties further negotiated and reached resolution on the remaining open points in the other transaction agreements.

On December 17, 2017, the Penn board held a meeting, at which members of Penn management and representatives of Goldman Sachs, BofA Merrill Lynch and Wachtell Lipton were in attendance, to consider the final terms of the merger agreement and the other transaction agreements. Representatives of Wachtell Lipton reviewed legal matters and the proposed terms of the final merger agreement and other transaction agreements, and described changes to such documents since the last Penn board meeting. Representatives of Goldman Sachs presented their financial analysis of the merger and the other proposed transactions and rendered the oral opinion of Goldman Sachs to the Penn board, subsequently confirmed by delivery of a written opinion dated December 17, 2017, that, as of the date of the written fairness opinion and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid by Penn for each share of Pinnacle's common stock pursuant to the merger agreement was fair from a financial point of view to Penn. After discussing the proposed transactions and considering the presentations by Wachtell Lipton and Goldman Sachs, the Penn board (other than Messrs. Carlino and Handler, who recused themselves) unanimously (i) determined that it is in the best interests of Penn and its shareholders, and declared it advisable, to enter into the merger agreement and the other transaction agreements, (ii) approved the execution, delivery and performance by Penn of the merger agreement and the other transaction agreements and the consummation of the transactions contemplated thereby, including the merger, the share issuance, the Boyd divestitures and the real estate transactions and (iii) resolved to recommend that Penn shareholders vote in favor of the share issuance proposal.

Also on December 17, 2017, the Pinnacle board held a meeting to consider the proposed final terms of the merger agreement and other transaction agreements, with members of senior management and representatives of J.P. Morgan and Skadden in attendance. Skadden representatives reviewed legal matters and the proposed terms of the final merger agreement and other transaction agreements, and described changes to such documents since the last Pinnacle board meeting. Representatives of J.P. Morgan again reviewed the financial analyses in connection with the merger, which it had presented at the previous meeting of the Pinnacle board, and rendered its oral opinion to the Pinnacle board, subsequently confirmed by delivery of a written opinion dated December 17, 2017, that, on the basis of and subject to the assumptions, limitations, qualifications and other matters considered in the preparation thereof as set forth in such opinion, as of the date of such opinion, the merger consideration to be paid to the holders of Pinnacle common stock in the proposed transaction is fair, from a financial point of view, to such holders. After discussing the proposed transactions and considering the presentations by Skadden and J.P. Morgan, the Pinnacle board unanimously (i) determined that the merger agreement and the transactions contemplated thereby are in the best interest of Pinnacle and its stockholders and are advisable, (ii) approved the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated thereby, including the merger, and (iii) recommended that the Pinnacle stockholders vote to adopt the merger agreement at a meeting of the Pinnacle stockholders to be called for the purposes of acting thereon.

After the respective meetings of the Penn board and the Pinnacle board on December 17, 2017, the parties executed the merger agreement, and the other transaction agreements, as applicable.

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On December 18, 2017, prior to the opening of trading of Pinnacle's and Penn's common stock on the Nasdaq Global Select Market, Pinnacle and Penn issued a joint press release announcing the execution of the merger agreement and the other transaction agreements.

Recommendation of the Penn Board and Reasons for the Merger

At a meeting held on December 17, 2017, the Penn board (other than Messrs. Peter M. Carlino and David A. Handler, who recused themselves) unanimously (i) determined that it is in the best interests of Penn and its shareholders, and declared it advisable, to enter into the merger agreement, the divestiture agreement and the real estate transaction agreements and (ii) approved the execution, delivery and performance by Penn of the merger agreement, the divestiture agreement, the real estate transaction agreements and the consummation of the transactions contemplated thereby, including the merger, the share issuance, the Boyd divestitures and the real estate transactions. **Accordingly, the Penn board recommends that Penn's shareholders vote "FOR" the share issuance proposal, and "FOR" the Penn adjournment proposal.**

Messrs. Carlino and Handler recused themselves from (i) voting on the Penn board's resolutions (including the recommendation set forth herein) in connection with, (ii) participating in certain discussions with respect to and (iii) negotiating the terms of the merger, the Boyd divestitures and the real estate transactions due to their positions as a member of the board of directors (in the case of Mr. Handler) and chairman of the board of directors and chief executive officer (in the case of Mr. Carlino) of GLPI. As Messrs. Carlino and Handler have been directors of each of Penn and GLPI since GLPI's inception as a public company in 2013, and given the significant commercial relationships between Penn and GLPI, Penn's Corporate Governance Guidelines include policies and procedures regarding perceived or actual conflicts of interest in that regard. The decisions of Messrs. Carlino and Handler to recuse themselves from voting on, participating in certain discussions with respect to and negotiating the terms of the merger, the Boyd divestitures and the real estate transactions (see " Background of the Merger") were consistent with such policies. At all times during its consideration of the merger, the Boyd divestitures and the real estate transactions, the Penn board was aware of the positions of Messrs. Carlino and Handler with GLPI, as well as the economic interests of Messrs. Carlino and Handler as shareholders of GLPI, and took such matters into account to the extent it deemed appropriate and relevant.

In evaluating the proposed transactions, the Penn board consulted with Penn's management and legal and financial advisors and, in reaching its determination and recommendation, considered a number of factors. The Penn board also consulted with outside legal counsel regarding its obligations, legal due diligence matters and the terms of the merger agreement, the divestiture agreement and the real estate transaction agreements.

Many of the factors considered favored the conclusion of the Penn board that the merger agreement, the divestiture agreement, the real estate transaction agreements and the respective transactions contemplated by such transaction agreements, including the share issuance, are advisable and in the best interests of Penn and its shareholders, including the following:

the expectation that the merger will create economies of scale and other geographic advantages by broadening the combined company's portfolio of gaming properties to 41 gaming properties across 20 jurisdictions;

the opportunity to combine two of the top customer loyalty programs in the industry to drive incremental revenue while also benefiting from enhanced promotional opportunities in online and social gaming across the combined company's portfolio;

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the Penn board has identified at least \$100 million in annual run-rate cost synergies driven by the elimination of corporate overhead redundancies and improved property level efficiencies, with limited incremental costs required to scale operations and integrate Pinnacle;

the expectation that the merger will be immediately accretive to free cash flow per share in the first year. The strong free cash flow generation expected from the combined companies will enhance Penn's ability to de-lever its balance sheet, pursue strategic opportunities and return capital to shareholders;

information from and discussions with Penn's management and advisors regarding Penn's and Pinnacle's respective business strategies and prospects, including the projected long-term financial results of Penn and Pinnacle as standalone companies and the expected pro forma effect on Penn of the merger and related transactions;

the financial analyses reviewed and discussed with the Penn board and the opinion of Goldman Sachs to the Penn board, dated December 17, 2017, to the effect that, as of the date thereof and based on and subject to the factors and assumptions set forth therein, the merger consideration to be paid by Penn for each share of Pinnacle's common stock pursuant to the merger agreement was fair from a financial point of view to Penn, as more fully described below under the caption

" Opinion of Penn's Financial Advisor";

the Penn board's understanding of Penn's and Pinnacle's businesses as well as their respective financial performance, results of operations and future prospects, which supported the Penn board's view that the merger consideration reflected a reasonable price for Pinnacle; and

the review by the Penn board with its advisors of the structure of the proposed transactions and the financial and other terms of the merger agreement, divestiture agreement and real estate transaction agreements, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the proposed transactions and the Penn board's evaluation of the likely time period necessary to complete the transactions, each as described in more detail elsewhere in this joint proxy statement/prospectus.

In the course of its deliberations, the Penn board also considered a variety of risks and other potentially negative factors, including the following:

the possibility that the merger may not be completed or that completion may be unduly delayed for reasons beyond the control of Penn and/or Pinnacle, including the potential length of the regulatory review process and the risk that the applicable governmental authorities may prohibit or enjoin the transactions or otherwise impose unanticipated conditions on Penn and/or Pinnacle in order to obtain clearance for the transactions;

the possibility that macroeconomic or market conditions affecting the industries in which Penn and/or Pinnacle operate could significantly worsen;

the possibility that, in certain circumstances relating to the failure to obtain regulatory approvals, Penn could be required to pay Pinnacle a termination fee of \$125 million;

the possibility that, in certain circumstances relating to changes in Penn's recommendation or the failure to obtain shareholder approval of the share issuance proposal, Penn could be required to pay a termination fee or make an expense payment to Pinnacle in the amount of \$60 million;

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the potential for diversion of management and employee attention and the potential effect of the transactions on Penn's business and strategic relationships;

the merger agreement terms providing that, if the merger is not consummated on or prior to October 31, 2018 and is consummated thereafter, the merger consideration payable by Penn

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would increase by \$0.01 per share of Pinnacle common stock for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger;

the merger agreement terms providing that Penn's obligation to complete the merger is not conditioned upon obtaining financing, the completion of the Boyd divestitures or the transactions contemplated by the real estate transaction documents, which could subject Penn to unanticipated liabilities and expenses in the event those other transactions cannot be completed in the anticipated timeframe or at all;

the transaction costs to be incurred in connection with the merger, the Boyd divestitures, the real estate transactions and Penn's financing arrangements (including ticking fees); and

risks of the type and nature described under the sections titled "Risk Factors" and "Cautionary Statements Regarding Forward-Looking Statements."

The Penn board considered all of these factors as a whole and, on balance, concluded that they supported a determination to approve the merger agreement, the divestiture agreement, the real estate transaction agreements and the respective transactions contemplated thereby. The foregoing discussion of the information and factors considered by the Penn board is not exhaustive. In view of the variety of factors considered by the Penn board in connection with its evaluation of the merger, the Boyd divestitures and the real estate transactions and the complexity of these matters, the Penn board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The Penn board evaluated the factors described above, among others, and reached the conclusion that the merger agreement, the divestiture agreement, the real estate transaction agreements and the respective transactions contemplated thereby, including, without limitation, the merger and the share issuance, are in the best interests of Penn and its shareholders and approved and declared advisable the merger agreement, the divestiture agreement, the real estate transactions and the respective transactions contemplated thereby, including the share issuance, and approved the execution, delivery and performance of the transaction agreements. In considering the factors described above and any other factors, individual members of the Penn board may have viewed factors differently or given different weight or merit to different factors.

Recommendation of the Pinnacle Board and Reasons for the Merger

By unanimous vote, the Pinnacle board of directors (the "Pinnacle board"), at a meeting held on December 17, 2017, determined that it is in the best interests of Pinnacle and its stockholders, and declared it advisable, to enter into the merger agreement, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and resolved to recommend the adoption of the merger agreement by Pinnacle's stockholders and resolved that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders. **The Pinnacle board recommends that Pinnacle stockholders vote "FOR" the merger agreement proposal, "FOR" the advisory compensation proposal and "FOR" the Pinnacle adjournment proposal.**

In evaluating the merger agreement, the merger and the other transactions contemplated thereby, the Pinnacle board consulted with Pinnacle's senior management, outside legal counsel and financial advisor. In recommending that Pinnacle's stockholders vote their shares of Pinnacle common stock in favor of adoption of the merger agreement, the Pinnacle board of directors also considered a number of factors, including the following (not necessarily in order of relative importance):

Compelling Value: The Pinnacle board's belief that the merger consideration of \$20.00 in cash (plus, if the merger is not consummated on or prior to October 31, 2018, an additional \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger) and 0.42 shares of Penn common stock for each share of Pinnacle

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common stock, which implies a total purchase price of \$32.47 per share of Pinnacle common stock based on Penn's closing price on December 15, 2017, the last trading day prior to the announcement of the merger, offered compelling value for shares of Pinnacle common stock, based on consideration of factors including:

Pinnacle's business and operations, historical results of operations, strategic business plans and prospects of Pinnacle on a standalone basis, opportunities and risks or uncertainties in executing Pinnacle's strategic plans, and current and historical trading prices of Pinnacle's common stock;

the immediate value from the cash consideration that Pinnacle stockholders will receive, as well as the Pinnacle stockholders' ability to participate in the long-term growth of Penn that is expected to occur from the integration of Pinnacle and Penn into a more efficient, larger-scale gaming entertainment platform;

Penn's business and operations, historical results of operations, strategic business plans and prospects, including the expected pro forma effect on Penn of the merger and related transactions and the attractive potential to create meaningful synergies resulting from a combination with Penn, which the Pinnacle board believed could reasonably be expected to exceed the \$100 million in annual run-rate cost synergies identified by Penn, from which Pinnacle stockholders will be positioned to benefit based on their anticipated ownership of approximately 22% of the combined company at closing;

multiples of various EBITDA measures represented by the enterprise value of Pinnacle implied by the \$32.47 per share implied value of the merger consideration, including multiples of approximately:

8.7x based on Pinnacle's estimated EBITDA for the 2018 calendar year based on consensus estimates;

8.8x based on Pinnacle's estimated EBITDA for the 2018 calendar year based on Pinnacle management estimates;

premia to historic trading prices represented by the \$32.47 per share implied value of the merger consideration, including premia of approximately:

48.5% over Pinnacle's closing price of \$21.86 on Nasdaq on October 4, 2017, the last trading day prior to the first article in the Wall Street Journal regarding Penn's potential acquisition of Pinnacle;

9.7% over Pinnacle's closing price of \$29.60 on Nasdaq on November 29, 2017, the last trading day prior to the second article in the Wall Street Journal regarding merger negotiations between Penn and Pinnacle;

4.9% over Pinnacle's closing price of \$30.95 on Nasdaq on December 15, 2017, the last trading day prior to announcement of the merger agreement;

36.3% over Pinnacle's volume weighted average closing price of \$23.83 on Nasdaq for the 90-day period ended December 15, 2017;

46.9% over Pinnacle's highest closing price of \$22.10 for the 52-week period ended October 4, 2017, the last trading day prior to the first article in the Wall Street Journal regarding Penn's potential acquisition

of Pinnacle;

185.8% over Pinnacle's lowest closing price of \$11.36 for the 52-week period ended October 4, 2017, the last trading day prior to the first article in the Wall Street Journal regarding Penn's potential acquisition of Pinnacle;

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the expectation that the merger will be accretive on a free cash flow per share basis in the first year following the consummation of the merger and that the Penn shares that will be delivered to Pinnacle stockholders as a portion of the merger consideration should be an attractive currency benefitting from the combination's anticipated synergies.

Best Available Alternative for Maximizing Stockholder Value. The Pinnacle board's determination, after consultation with management and its financial and legal advisors, that entering into the merger agreement with Penn was more favorable to Pinnacle stockholders than other alternatives reasonably available to Pinnacle, including continued operation of Pinnacle on a standalone basis or the pursuit of potential alternative transactions. In making its determination, the Pinnacle board took into account factors including (i) the Pinnacle board's assessment of Pinnacle's business and operations, historical results of operations, financial prospects and conditions and the determination that continued operation of Pinnacle on a standalone basis was not likely to produce, on a risk-adjusted basis, values that would create more value for Pinnacle stockholders than the current cash and stock consideration offered by Penn, (ii) the Pinnacle board's belief as to the attractive potential to create meaningful synergies resulting from a combination with Penn, from which Pinnacle stockholders will be positioned to benefit based on their anticipated ownership of approximately 22% of the combined company at closing, (iii) the Pinnacle board's belief, taking into account the perspectives provided by its financial advisor and Pinnacle's management, that there was a low likelihood that another party would be willing and able to pursue a transaction at a value in excess of the value offered by Penn, (iv) the Pinnacle board's belief that the implied \$32.47 per share merger consideration was the best value reasonably available to Pinnacle's stockholders and (v) the Pinnacle board's belief that the form of the merger consideration provides significant certainty through the cash portion of the merger consideration while simultaneously allowing Pinnacle stockholders the ability to participate in any upside through the stock portion of the merger consideration.

Appropriateness of Process. The Pinnacle board's determination that negotiating a potential merger with Penn was most likely to result in the best value reasonably available for Pinnacle stockholders based on the Pinnacle board's belief that (i) Penn was best positioned to provide the best value reasonably available to Pinnacle stockholders in light of the expected synergies of the combined company and Penn's strategic interest, (ii) it was not likely another party would be willing to pursue a transaction at a value in excess of the value offered by Penn, which belief was supported by the absence of any inbound indications of interest received by Pinnacle from other strategic or financial parties despite the Wall Street Journal articles on October 5, 2017 and November 29, 2017 reporting on a potential acquisition of Pinnacle by Penn, and (iii) the risk of losing leverage to negotiate a higher price or other improved terms from Penn than would have otherwise been available outweighed the possibility of receiving a more favorable proposal from another party.

Appropriate Time to Pursue a Merger. That while Pinnacle's business is strong and continues to present opportunities for growth, as Pinnacle has grown, it has also become subject to increasing competitive pressures in the gaming industry, and as such there are increasing challenges to maintaining Pinnacle's historic growth rate and profitability as a standalone company. In evaluating the merger, the Pinnacle board considered the limited opportunities for significant strategic acquisitions at attractive valuations. The Pinnacle board also considered that, while Pinnacle's stock is currently trading at multiples of earnings and EBITDA/EBITDAR that are relatively high compared to historical multiples, if investor sentiment regarding Pinnacle, the gaming industry or the equity market generally were to change in a negative fashion, Pinnacle's stock price could decrease even if Pinnacle's earnings and EBITDA/EBITDAR were not to decrease. The Pinnacle board also considered that the cash portion of the merger consideration allows Pinnacle stockholders to lock in value at Pinnacle's current trading price and multiple

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levels, while the stock portion of the merger consideration allows Pinnacle stockholders to continue to participate in the upsides of the combined company.

Financial Analyses of J.P. Morgan and Receipt of Fairness Opinion. J.P. Morgan's financial analyses in connection with the merger and its oral opinion rendered to the Pinnacle board, subsequently confirmed by delivery of a written opinion dated December 17, 2017, that, as of the date thereof and based upon and subject to the factors and assumptions set forth in such opinion, the merger consideration of \$20.00 in cash and 0.42 shares of Penn common stock to be paid for each share of Pinnacle common stock pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Pinnacle common stock, as more fully described below under the heading " Opinion of Pinnacle's Financial Advisor".

Opportunity to Receive Alternative Transaction Proposals and to Terminate the Transaction in Order to Accept a Superior Proposal. Pinnacle's right, in circumstances specified in the merger agreement, to respond to and negotiate unsolicited takeover proposals made before the time Pinnacle's stockholders approve the proposal to adopt the merger agreement and to terminate the merger agreement in certain circumstances in order to accept a superior proposal subject to payment to Penn of a termination fee of \$60 million, which amount the Pinnacle board believed to be reasonable under the circumstances and taking into account the range of such termination fees in similar transactions and that the size of the fee would not be a meaningful deterrent to alternative takeover proposals.

High Likelihood of Completion. The Pinnacle board's view that the likelihood of completion of the merger is high, particularly in light of the terms of the merger agreement and the conditions to closing the merger, including (i) the absence of a financing condition in the merger agreement and Penn's receipt of executed debt financing commitment letters to provide the debt portion of the financing from reputable commercial banks with significant experience in similar lending transactions; (ii) the commitment of Penn to use its reasonable best efforts to consummate the merger and to take all steps necessary to eliminate impediments to obtaining regulatory clearance for consummation of the merger, including divesting assets or entering into hold-separate arrangements (subject to agreed limitations), and that at same time as entering the merger agreement Penn had entered into definitive agreements with Boyd to divest certain assets in order to facilitate regulatory clearance of the merger; (iii) Penn's obligation to pay Pinnacle a \$125 million reverse termination fee if the merger agreement is terminated by either Penn or Pinnacle because (1) of any injunction, order, decree or ruling relating to antitrust laws or gaming laws or (2) the end date has passed and certain conditions related to regulatory and gaming approvals have not been satisfied (subject to certain exceptions); (iv) Penn's obligation to pay Pinnacle, under certain circumstances, if the merger agreement is terminated as a result of the failure to obtain approval of Penn's stockholders, a fixed expense reimbursement of \$60 million; (v) the incremental increase in the cash component of the merger consideration, if the merger is not consummated on or prior to October 31, 2018, by an additional \$0.01 for each day during the period commencing November 1, 2018 and ending on the date of the closing of the merger and (vi) that GLPI, the landlord for a majority of Pinnacle's and GLPT's properties, provided its consent at the same time as the merger agreement was entered to, among other things, the divestiture of certain assets to Boyd in order to facilitate regulatory clearance of the merger.

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Arm's Length Terms and Other Factors Related to the Merger Agreement. The Pinnacle board's view that the merger agreement was the product of arm's length negotiations and contained customary terms and conditions, and its consideration of a number of other factors pertaining to the merger agreement, including:

termination provisions in the merger agreement, including that the end date under the merger agreement (which may be extended under specified circumstances) on which either party, subject to specified exceptions, can terminate the merger agreement should provide sufficient time to consummate the transaction;

structure of the transaction as a merger should allow sufficient time for a third-party to make a superior proposal if it desired to do so;

subject to the terms and conditions set forth in the merger agreement, the ability of the Pinnacle board to change its recommendation to the Pinnacle stockholders upon the occurrence of an intervening event that was not known to or reasonably foreseeable by Pinnacle's board as of or prior to December 17, 2017;

Pinnacle's ability to specifically enforce, or seek damages upon any breach of, Penn's obligations under the merger agreement, including Penn's obligation to consummate the merger and Penn's obligation to use its reasonable best efforts to enforce its rights under its debt financing commitments in the event of a financing failure; and

the unanimous approval of the merger agreement by the Pinnacle board of directors, which consists of a majority of independent directors who are not affiliated with Penn and are not employees of Pinnacle or any of its subsidiaries, and which retained and received advice from Pinnacle's outside financial and legal advisors in evaluating, negotiating and recommending the terms of the merger agreement.

The Pinnacle board also considered a number of uncertainties and risks in its deliberations concerning the merger and the other transactions contemplated by the merger agreement, including the following (not necessarily in order of relative importance):

That because the merger consideration includes a fixed exchange ratio of shares of Penn common stock to Pinnacle common stock, Pinnacle stockholders could be adversely affected by a decrease in the trading price of Penn common stock as the merger agreement does not provide for any adjustment of the exchange ratio if the trading price of Penn common stock decreases and does not provide a price-based termination right to Pinnacle.

That Pinnacle had only engaged in negotiations with Penn regarding a potential transaction and had not contacted other potential buyers prior to the execution of the merger agreement on December 15, 2017.

That under the terms of the merger agreement, Pinnacle is unable to solicit other competing proposals during the pendency of the merger.

Subject to certain conditions set forth in the merger agreement, in the event of Pinnacle's receipt of a superior proposal, Pinnacle's requirement to negotiate in good faith with Penn regarding revisions to the merger agreement, which Pinnacle's board must consider in good faith and determine in consultation with its independent financial advisor and outside legal counsel whether the superior proposal continues to constitute a superior proposal if the revisions proposed by Penn were to be given effect.

That, under specified circumstances, Pinnacle may be required to pay fees and expenses in the event the merger agreement is terminated and the effect this could have on Pinnacle, including:

The possibility that the termination fee payable by Pinnacle under certain circumstances could discourage other potential parties from making a competing offer; although the

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Pinnacle board believed that the termination fee was reasonable in amount and would not unduly deter any other party that might be interested in making a competing proposal;

If the merger is not consummated, Pinnacle may be required to pay its own expenses associated with the merger agreement and the transactions contemplated thereby; and

The requirement that, under certain circumstances, if the merger agreement is terminated as a result of the failure to obtain approval of Pinnacle's stockholders, Pinnacle would be obligated to pay Penn a fixed expense reimbursement of \$30 million (which amount is creditable against any termination fee payable) and if the merger agreement is terminated by Pinnacle to accept a superior proposal, Pinnacle would be obligated to pay Penn a termination fee of \$60 million.

The significant costs involved in connection with entering into the merger agreement and the transactions contemplated thereby, including the merger, and the substantial time and effort of management required to complete the transactions contemplated by the merger agreement, including the merger, which may disrupt Pinnacle's business operations.

That the consummation of the merger and the related divestiture transactions require regulatory approvals and the risk that notwithstanding Penn's obligations with respect to obtaining regulatory approvals, governmental entities may seek to impose unfavorable terms or conditions, or otherwise fail to grant, such approvals, including the risk of potential delays in granting or failure to grant, by such governmental entities, regulatory approvals for the merger as a result of delays in granting or failure to grant regulatory approvals for the related divestiture transactions.

The possibility that the merger might not be consummated, and the possible adverse effect of termination of the merger agreement on Pinnacle or the trading price of Pinnacle common stock, and related risks including:

That the reverse termination fee is not available in all instances where the merger agreement is terminated and may be Pinnacle's only recourse where it is available;

That, even if the merger agreement is approved by Pinnacle's stockholders, Penn's shareholders may not approve the issuance of Penn shares in connection with the merger;

That, although Penn must use reasonable best efforts to obtain the financing contemplated by its debt commitment letters, there is a risk that such financings might not be obtained;

That, even if the merger agreement is approved by Pinnacle's stockholders and Penn's stockholders, there can be no assurance that all other conditions to the parties' obligations to complete the merger will be satisfied;

That, even if the proceeds of the financing contemplated by Penn's debt financing commitment letters are obtained, because the aggregate proceeds from the debt financings together with the anticipated cash proceeds of the sale of the Belterra Park and Plainridge real property to GLPI are required to fully fund the merger, there is a risk that the anticipated cash proceeds from the sale of the Belterra Park and Plainridge real property to GLPI might not be obtained (including in the event the sale fails to close and/or GLPI breaches its contractual obligations under the purchase agreement providing for such sale) though that risk is mitigated by Penn's commitment in the merger agreement to maintain its ability under its existing credit agreement to draw amounts equal to such anticipated proceeds; and

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That Pinnacle may be at risk for loss of members of management and other key personnel following announcement of the transaction, and may not be able to effectively replace such persons, which could adversely affect Pinnacle's business during the period prior to

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consummation of the merger, or if the merger is not consummated, as Pinnacle's operations are largely dependent on the skill and experience of its management and key personnel.

The restrictions on the conduct of Pinnacle's business prior to the consummation of the merger, including the requirement that Pinnacle conduct business in the ordinary course, subject to specific limitations, which may delay or prevent Pinnacle from undertaking business opportunities that may arise before the completion of the merger and that, absent the merger agreement, Pinnacle might have pursued.

That Pinnacle's directors and executive officers may have interests in the merger that may be different from, or in addition to, those of Pinnacle's stockholders generally. For more information about such interests, see below under the heading [" Interests of Certain Pinnacle Persons in the Merger."]

Risks of the type and nature described under the sections titled ["Risk Factors" and "Cautionary Statements Regarding Forward-Looking Statements."]

Material U.S. federal income tax consequences of the merger to U.S. holders of Pinnacle common stock, as further described under the heading [" Material U.S. Federal Income Tax Consequences"].

The Pinnacle board considered all of these factors as a whole and believed that, overall, the potential benefits of the merger to Pinnacle's stockholders outweighed the uncertainties and risks of the merger.

The foregoing discussion of factors considered by the Pinnacle board is not intended to be exhaustive, but includes the material factors considered by the Pinnacle board. In light of the variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Pinnacle board did not find it practicable to, and did not, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Pinnacle board applied his or her own personal business judgment to the process and may have viewed factors differently or given different weight or merit to different factors. The Pinnacle board did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Pinnacle board based its recommendation on the totality of the information presented. The Pinnacle board evaluated the factors described above, among others, and reached the conclusion that it is in the best interests of Pinnacle and its stockholders, and declared it advisable, to enter into the merger agreement, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and resolved to recommend the adoption of the merger agreement by Pinnacle's stockholders and resolved that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders.

Certain Penn Unaudited Prospective Financial Information

Other than quarterly and annual financial guidance provided to investors, which it may update from time to time, Penn does not as a matter of course make public projections as to future performance, revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with its evaluation of the merger, the Boyd divestitures and the real estate transactions, Penn's management prepared certain unaudited internal financial forecasts with respect to Penn and the pro forma combined company, which were provided to the Penn board and Pinnacle, as well as Penn's and Pinnacle's respective financial advisors, in connection with their evaluation of the proposed transactions. In addition, Penn's management prepared certain unaudited internal financial forecasts with respect to Pinnacle, which Penn management derived from the Pinnacle unaudited prospective financial information summarized in " Certain Pinnacle Unaudited Prospective Financial Information" by making adjustments to the

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assumptions associated therewith, which were provided to the Penn board, as well as Penn's financial advisor, in connection with their evaluation of the proposed transactions.

For purposes of the Penn Unaudited Prospective Financial Information:

EBITDAR is defined as earnings before interest income and expense, income taxes, depreciation, amortization, rent expense associated with the Meadows lease (as applicable), pre-opening, development and other costs, non-cash share-based compensation, asset impairment costs, write-downs, reserves, recoveries, gain (loss) on sale of certain assets, loss on early extinguishment of debt, gain (loss) on sale of equity security investments, income (loss) from equity method investments, non-controlling interest and discontinued operations. EBITDAR is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or as an alternative to any other measure provided in accordance with GAAP;

Adjusted EBITDA is defined as EBITDAR (as defined above) less rent expense associated with Penn's and Pinnacle's respective master leases with GLPI (as applicable), and less rent expense associated with the Meadows lease (as applicable). EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or as an alternative to any other measure provided in accordance with GAAP; and

Unlevered Free Cash Flow is defined as EBITDA (as defined above), less tax expenses (on an unlevered basis), less capital expenditures, less other investing activities, less pre-opening and development costs, stock-based compensation and net asset write-downs and less changes in net working capital. Unlevered Free Cash Flow is a non-GAAP financial measure and was calculated by Goldman Sachs based on information provided by Penn in connection with its discounted cash flow analysis based on the Penn Unaudited Prospective Financial Information (assuming a statutory federal income tax rate of 40% as instructed by Penn management).

Penn Projections Regarding Penn Standalone

The following table presents Penn unaudited prospective financial information for the three months ended December 31, 2017 and the years ending December 31, 2018 through 2021 that was used for purposes of considering, analyzing and evaluating Penn's potential performance on a standalone basis. The following unaudited prospective financial information was provided to the Penn board and Goldman Sachs and discussed by Penn management with each such party and, in the case of Goldman Sachs, used in connection with its fairness opinion to the Penn board of directors, and certain of the following unaudited prospective financial information was provided to Pinnacle and discussed by Penn management with Pinnacle(1).

	4Q 2017	FY 2018	FY 2019	FY 2020	FY 2021
	\$ in millions				
Revenue	\$ 757	\$ 3,243	\$ 3,220	\$ 3,251	\$ 3,319
EBITDAR	206	919	947	959	1,019
Adjusted EBITDA	92	457	489	494	547
Unlevered Free Cash Flow	34	224	144	148	275

- (1) Pinnacle was provided with the revenue and EBITDAR projections for 4Q 2017 and the years ended December 31, 2018-2021, adjusted EBITDA projections for 4Q 2017 and FY 2018 and cash lease amounts for FY 2018-2021.

Table of Contents***Penn Projections Regarding Pinnacle Standalone***

The following table presents Pinnacle unaudited prospective financial information, excluding the results of the assets anticipated to be divested to Boyd, for the quarter ending December 31, 2017 and the years ending December 31, 2019 through 2021, that was used for purposes of considering, analyzing and evaluating Pinnacle's performance on a standalone basis, which Penn management derived from the Pinnacle unaudited prospective financial information summarized in "Certain Pinnacle Unaudited Prospective Financial Information" by making adjustments to the assumptions associated therewith. The following unaudited prospective financial information, which excludes the results of the assets anticipated to be divested to Boyd, was provided to the Penn board and Goldman Sachs and discussed by Penn management with each such party and, in the case of Goldman Sachs, used in connection with its fairness opinion to the Penn board of directors:

	4Q 2017	FY 2018	FY 2019	FY 2020	FY 2021
	\$ in millions				
Revenue	\$ 458	\$ 1,919	\$ 1,948	\$ 1,986	\$ 2,024
EBITDAR	118	520	530	546	563
Adjusted EBITDA	40	206	212	221	233
Unlevered Free Cash Flow	17	107	109	115	123

Penn Projections Regarding the Pro Forma Combined Company

The following table presents unaudited pro forma prospective financial information for Penn, assuming that the merger were consummated on October 1, 2018 and excluding the results of the divestiture subsidiaries anticipated to be sold in connection with the merger, for the years ending December 31, 2018 through 2021. The following unaudited pro forma prospective financial information was used for the purposes of considering, analyzing and evaluating the pro forma combined company's performance. The following unaudited pro forma prospective financial information was provided to the Penn Board and Goldman Sachs and discussed by Penn management with each such party and, in the case of Goldman Sachs, used in connection with its fairness opinion to the Penn board of directors:

	FY 2018	FY 2019	FY 2020	FY 2021
Revenue	\$ 3,705	\$ 5,168	\$ 5,237	\$ 5,343
EBITDAR	1,028	1,499	1,605	1,683
Adjusted EBITDA	479	684	776	843
Unlevered Free Cash Flow	231	253	310	447

Certain Pinnacle Unaudited Prospective Financial Information***Pinnacle Management Projections of Pinnacle Financial Information***

Pinnacle does not normally publicly disclose long-term projections as to future revenue, earnings or other results due to, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. However, in connection with evaluation of the merger, Pinnacle provided the Pinnacle board and J.P. Morgan with certain non-public and unaudited non-GAAP standalone financial forecasts that were prepared by the management of Pinnacle for purposes of assessing a possible strategic transaction, and not for public disclosure.

At the direction of the Pinnacle board, J.P. Morgan used unaudited financial projections for Pinnacle's calendar years 2017 through 2026 based on management forecasts for calendar years 2017 through 2021, and extrapolations of such forecasts for calendar years 2022 through 2026 approved by Pinnacle's management (the "Pinnacle Projections") in performing financial analyses in connection with

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rendering its opinion described and summarized in the section titled "The Merger Opinion of Pinnacle's Financial Advisor." The following table presents a summary of the Pinnacle Projections:

\$mm

\$mm	Forecasts(1)						Extrapolations(2)			
	2017E*	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net revenue	2,565	2,629	2,678	2,730	2,782	2,834	2,884	2,932	2,979	3,023
EBITDAR(4)	705(3)	723	745	769	793	808	822	836	849	862
EBITDA(5)	298(3)	311	326	341	358	364	369	374	378	382
Unlevered Free Cash Flow(7)	66(6)	188	155	104	185	186	187	187	186	185

Source: Pinnacle management

*

Represents actual figures through end of October 2017, excluding potential future adjustments for 2017, and forecast for the remainder of 2017.

(1)

Selected measures from the Pinnacle Projections from 2017E through 2021E prepared by Pinnacle management and provided to J.P. Morgan (other than Unlevered Free Cash Flow, as described in Note 7 below) in connection with J.P. Morgan's financial analyses summarized under "The Merger Opinion of Pinnacle's Financial Advisor" and to the Pinnacle Board in connection with its evaluation of the Merger.

(2)

Extrapolations for 2022E through 2026E approved by Pinnacle management, based on Pinnacle management estimates for 2017E through 2021E, and provided to J.P. Morgan in connection with its financial analyses summarized under "The Merger Opinion of Pinnacle's Financial Advisor" and to the Pinnacle Board in connection with its evaluation of the Merger.

(3)

Excluding non-recurring expenses of \$7.4 million.

(4)

EBITDAR is defined for purposes of the Pinnacle Projections as earnings before interest income and expense, income taxes, depreciation, amortization, rent expense associated with the Meadows lease, pre-opening, development and other costs, non-cash share-based compensation, asset impairment costs, write-downs, reserves, recoveries, gain (loss) on sale of certain assets, loss on early extinguishment of debt, gain (loss) on sale of equity security investments, income (loss) from equity method investments, non-controlling interest and discontinued operations. EBITDAR is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or as an alternative to any other measure provided in accordance with GAAP.

(5)

EBITDA is defined for purposes of the Pinnacle Projections as EBITDAR (as defined in Note 4 above) less rent payments associated with Pinnacle's master lease with GLPI and less rent payments associated with the Meadows lease. EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or as an alternative to any other measure provided in accordance with GAAP.

(6)

Reflects Unlevered Free Cash Flow forecast for the fourth fiscal quarter of 2017.

(7)

Unlevered Free Cash Flow is defined as EBITDA (as defined in Note 5 above), less tax expenses (on an unlevered basis), less capital expenditures, less other investing activities, less pre-opening and development costs, stock-based compensation and net asset write-downs and less changes in net working capital. Unlevered Free Cash Flow is a non-GAAP financial measure and was

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calculated by J.P. Morgan in connection with its discounted cash flow analysis based on the Pinnacle Projections (assuming a statutory federal income tax rate of 35% applicable to Pinnacle).

Additionally, at the direction of the Pinnacle board, Pinnacle provided to Penn management forecasts of selected items for calendar years 2017 through 2021 (and, in the case of Recurring Free Cash Flow and Free Cash Flow, for calendar years 2017 and 2018 only). The following table presents a summary of the information provided to Penn:

\$mm

\$mm	Forecasts(1)				
	2017E*	2018E	2019E	2020E	2021E
Net revenue	2,565	2,629	2,678	2,730	2,782
Recurring EBITDAR(3)	705(2)	723	745	769	793
Recurring Free Cash Flow(4)	175	172			
Free Cash Flow(5)	153	170			

Source: Pinnacle management

*

Represents actual figures through end of October 2017, excluding potential future adjustments for 2017, and forecast for remainder of calendar year 2017.

(1) Selected measures from 2017E through 2021E prepared by Pinnacle management and provided to Penn management.

(2) Excluding non-recurring expenses of \$7.4 million.

(3) Recurring EBITDAR is defined for purposes of the Pinnacle management projections provided to Penn management as earnings before interest income and expense, income taxes, depreciation, amortization, rent expense associated with the Meadows lease, pre-opening, development and other costs, non-cash share-based compensation, asset impairment costs, write-downs, reserves, recoveries, gain (loss) on sale of certain assets, loss on early extinguishment of debt, gain (loss) on sale of equity security investments, income (loss) from equity method investments, non-controlling interest and discontinued operations. EBITDAR is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or as an alternative to any other measure provided in accordance with GAAP.

(4) Recurring Free Cash Flow is defined for purposes of the Pinnacle management projections provided to Penn management as EBITDAR (as defined in Note 3 above), less rent payments associated with Pinnacle's master lease with GLPI, less rent payments associated with the Meadows lease, less net cash interest expense, less pre-opening and development costs, less cash taxes, less capital expenditures, less investment in working capital and other. Recurring Free Cash Flow is a non-GAAP financial measure.

(5) Free Cash Flow is defined for purposes of the Pinnacle management projections provided to Penn management as Recurring Free Cash Flow (as defined in Note 4 above) less share buybacks and less Retama Park funding.

Table of Contents***Pinnacle Projections Regarding Penn***

At the direction of the Pinnacle board of directors, J.P. Morgan used unaudited financial projections for Penn's calendar years 2017 through 2026 based on Penn management forecasts, as adjusted by Pinnacle management (with respect to two assets for 2020E and 2021E), for calendar years 2017 through 2021, and extrapolations of such forecasts for calendar years 2022 through 2026 approved by Pinnacle's management (the "Adjusted Penn Projections") in performing financial analyses in connection with rendering its opinion described and summarized in the section titled "The Merger Opinion of Pinnacle's Financial Advisor." The following table presents a summary of the Adjusted Penn Projections:

\$mm

\$mm	Forecasts(1)						Extrapolations(2)			
	3M2017E*	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net revenue	757	3,243	3,220	3,215	3,283	3,348	3,411	3,470	3,527	3,580
EBITDAR(3)	206	919	947	940	954	973	991	1,008	1,025	1,040
EBITDA(4)	92	457	489	475	483	493	501	509	516	521
Unlevered Free Cash Flow(5)	59	233	272	247	244	254	251	267	263	262

Source: Pinnacle management

* Represents forecast for fourth fiscal quarter of 2017 only and does not include actual figures for 2017.

- (1) Selected measures from the Adjusted Penn Projections from 2017E through 2021E approved by Pinnacle management and provided to J.P. Morgan (other than Unlevered Free Cash Flow, as described in Note 5 below) in connection with J.P. Morgan's financial analyses summarized under "The Merger Opinion of Pinnacle's Financial Advisor" and to the Pinnacle Board in connection with its evaluation of the Merger.
- (2) Extrapolations for 2022E through 2026E approved by Pinnacle management, based on Penn management estimates for calendar years 2017 through 2021 as adjusted by Pinnacle management, and provided to J.P. Morgan in connection with J.P. Morgan's financial analyses summarized under "The Merger Opinion of Pinnacle's Financial Advisor" and to the Pinnacle Board in connection with its evaluation of the Merger.
- (3) EBITDAR is defined for purposes of the Adjusted Penn Projections as earnings before interest income and expense, income taxes, depreciation, amortization, pre-opening, development and other costs, non-cash share-based compensation, asset impairment costs, write-downs, reserves, recoveries, gain (loss) on sale of certain assets, loss on early extinguishment of debt, gain (loss) on sale of equity security investments, income (loss) from equity method investments, non-controlling interest and discontinued operations. EBITDAR is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or as an alternative to any other measure provided in accordance with GAAP.
- (4) EBITDA is defined for purposes of the Adjusted Penn Projections as EBITDAR (as defined above) less cash rent expenses.
- (5) Unlevered Free Cash Flow is defined for purposes of the Adjusted Penn Projections as EBITDA (as defined in Note 4 above), less tax expenses (on an unlevered basis), less capital expenditures, less other cash items (including Ohio track relocation fees, Jamul (advances) proceeds, earnout payments and capital lease payments), less stock-based compensation, less changes in net working capital and less certain other items. Unlevered Free Cash Flow is a non-GAAP financial measure and was calculated by J.P. Morgan in connection with its discounted cash flow analysis based on the Adjusted Penn Projections (assuming a statutory federal income tax rate of 35% applicable to Penn).

Important Information about the Unaudited Prospective Financial Information

The inclusion of the unaudited prospective financial information summarized above within the " Certain Penn Unaudited Prospective Financial Information" and " Certain Pinnacle Unaudited Prospective Financial Information" sections of this joint proxy statement/prospectus (collectively, the "Unaudited Prospective Financial Information") should not be regarded as an indication that any of Penn, Pinnacle, J.P. Morgan, Goldman Sachs, their advisors, or any of their respective affiliates, officers, directors, partners, advisors or other representatives or any other person considered, or now considers, those projections to be predictive of actual future performance or events, or that it should be construed as financial guidance, and the summary of the Unaudited Prospective Financial Information set forth above should not be relied on as such.

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While presented with numeric specificity, the Unaudited Prospective Financial Information summarized above is subjective in many respects and reflects numerous estimates and assumptions made with respect to business, economic, market, competition, regulatory and financial conditions and matters specific to Penn's and Pinnacle's businesses, that are inherently subject to significant uncertainties and contingencies, including, among others, risks and uncertainties described or incorporated by reference in the sections entitled "Risk Factors" and "Cautionary Note Concerning Forward-Looking Statements," all of which are difficult to predict and many of which are beyond the control of Penn and Pinnacle and will be beyond the control of the combined company. The Unaudited Prospective Financial Information reflects both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. There can be no assurance that the Unaudited Prospective Financial Information and the underlying estimates and assumptions will be realized and actual results will likely differ, and may differ materially, from those reflected in the Unaudited Prospective Financial Information, whether or not the merger is completed.

The Unaudited Prospective Financial Information constitutes forward-looking information. In addition, because the Unaudited Prospective Financial Information covers multiple years, such information by its nature becomes less predictive with each successive year. Actual results may differ materially from those set forth above, and important factors that may affect actual results and cause the Unaudited Prospective Financial Information to be inaccurate include, but are not limited to, risks and uncertainties relating to its business, industry performance, the regulatory environment, general business and economic conditions and other matters described under the section of this joint proxy statement/prospectus titled "Risk Factors." As a result, the Unaudited Prospective Financial Information cannot be considered predictive of actual future operating results, and this information should not be relied on as such. Penn shareholders and Pinnacle stockholders are urged to review the SEC filings of Penn and Pinnacle for a description of risk factors with respect to the businesses of Penn and Pinnacle, as well as the risks and other factors described or incorporated by reference in the sections entitled "Risk Factors" and "Cautionary Note Concerning Forward-Looking Statements" of this joint proxy statement/prospectus. See also "Where You Can Find More Information." The Unaudited Prospective Financial Information includes certain non-GAAP financial measures.

The Unaudited Prospective Financial Information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. No independent registered public accounting firm has audited, reviewed, compiled, examined, applied or performed any procedures with respect to the Unaudited Prospective Financial Information contained herein, nor have they expressed nor do they express any opinion or any other form of assurance on such information or its achievability. The report of the respective independent registered public accounting firms to Penn and Pinnacle contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2016, which are incorporated by reference into this joint proxy statement/prospectus, relate to historical financial information of Penn and Pinnacle, respectively, and such reports do not extend to the projections summarized below and should not be read to do so. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by Penn and Pinnacle may not be comparable to similarly titled amounts used by other companies.

Furthermore, the Unaudited Prospective Financial Information does not take into account any circumstances or events occurring after the date it was prepared. There can be no assurance that, had the Unaudited Prospective Financial Information been prepared either as of the date of the merger agreement or as of the date of this joint proxy statement/prospectus, similar estimates and assumptions

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would be used. The Unaudited Prospective Financial Information does not take into account all the possible financial and other effects on Penn or Pinnacle of the merger, the Boyd divestitures and the real estate transactions, the effect on Penn or Pinnacle of any business or strategic decision or action that has been or will be taken as a result of the merger agreement, the divestiture agreement or the real estate transaction agreements having been executed, or the effect of any business or strategic decisions or actions which would likely have been taken if the merger agreement, the divestiture agreement and the real estate transaction agreements had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger, the Boyd divestitures and the real estate transactions. Further, the Unaudited Prospective Financial Information does not take into account the effect on Penn or Pinnacle of any possible failure of the merger and/or the Boyd divestitures and the real estate transactions to occur. None of Penn, Pinnacle, or their respective affiliates, officers, directors, partners, advisors or other representatives has made, makes or is authorized in the future to make any representation to any Penn shareholder or Pinnacle stockholder or other person regarding Penn's or Pinnacle's ultimate performance compared to the information contained in the Unaudited Prospective Financial Information or that the forecasted results will be achieved. The inclusion of the Unaudited Prospective Financial Information herein should not be deemed an admission or representation by Penn, Pinnacle, their respective advisors or any other person that it is viewed as material information of Penn or Pinnacle, particularly in light of the inherent risks and uncertainties associated with such information. There can be no assurance that the projected results will be realized or that actual results will not be materially lower or higher than estimated, whether or not the merger is completed. The summary of the Unaudited Prospective Financial Information included above is not being included to influence any Pinnacle stockholder's decision on whether to vote in favor of the merger or any other proposal to be considered at the Pinnacle special meeting, or any Penn shareholder's decision on whether to vote in favor of the share issuance or any other proposal to be considered at the Penn special meeting, but is being provided solely because it was made available to the Penn board, the Pinnacle board, Penn, Pinnacle and Penn's and Pinnacle's respective financial advisors, as applicable, in connection with the merger.

READERS OF THIS JOINT PROXY STATEMENT/PROSPECTUS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION. PENN AND PINNACLE DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

Opinion of Penn's Financial Advisor

Goldman Sachs rendered its opinion to the Penn board that, as of December 17, 2017, and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid by Penn for each share of Pinnacle's common stock pursuant to the merger agreement was fair from a financial point of view to Penn.

The full text of the written opinion of Goldman Sachs, dated December 17, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex I. Goldman Sachs provided advisory services and its opinion for the information and assistance of the Penn board in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Penn's common stock should vote with respect to the merger, or any other matter.

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In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

the divestiture agreement;

annual reports to shareholders or stockholders, as applicable, and Annual Reports on Form 10 K of Penn and Pinnacle for the five fiscal years ended December 31, 2016;

certain interim reports to shareholders and stockholders, as applicable, and Quarterly Reports on Form 10-Q of Penn and Pinnacle;

certain other communications from Penn and Pinnacle to their respective shareholders or stockholders, as applicable;

certain publicly available research analyst reports for Penn and Pinnacle;

certain internal financial analyses and forecasts for Pinnacle prepared by its management;

certain internal financial analyses and forecasts for Penn standalone and pro forma for the transaction (which, as used in the Goldman Sachs opinion, reflected, among other things, the consummation of, and anticipated net proceeds from, the Boyd divestitures and the real estate transactions) and certain financial analyses and forecasts for Pinnacle that reflect, among other things, the consummation of, and anticipated net proceeds from, the Boyd divestitures and the real estate transactions, in each case, as prepared by the management of Penn and approved for Goldman Sachs' use by Penn (the "Forecasts"); and certain operating synergies projected by the management of Penn to result from the merger with an annual run-rate of approximately \$100 million, as approved for Goldman Sachs' use by Penn (the "Synergies").

Goldman Sachs also held discussions with members of the senior managements of Penn and Pinnacle regarding their assessment of the past and current business operations, financial condition and future prospects of Pinnacle and with the members of senior management of Penn regarding their assessment of the past and current business operations, financial condition and future prospects of Penn and the strategic rationale for, and the potential benefits of, the transaction; reviewed the reported price and trading activity for the shares of Penn's common stock and Pinnacle's common stock; reviewed the financial terms of certain recent business combinations; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with Penn's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Penn's consent that the Forecasts and the Synergies were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Penn. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Penn, Pinnacle or any of their respective subsidiaries, including the Boyd divestitures, and it was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction will be obtained without any adverse effect on Penn or Pinnacle or on the expected benefits of the transaction in any way meaningful to its analysis. Goldman Sachs has also assumed that the transaction will be consummated on the terms set forth in the merger agreement and that the Boyd divestitures and the real estate transactions will be consummated on the terms set forth in the real estate transaction documents, as applicable, in each case, without the waiver

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or modification of any term or condition the effect of which would be in any way meaningful to its analysis, and that the net proceeds from the Boyd divestitures and the real estate transactions will not deviate from the amounts set forth in the Forecasts in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of Penn to engage in the transaction or the relative merits of the transaction as compared to any strategic alternatives that may be available to Penn; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to Penn, as of the date of the opinion, of the merger consideration to be paid by Penn for each share of Pinnacle's common stock pursuant to the merger agreement. Goldman Sachs does not express any view on, and its opinion does not address, any other term or aspect of the merger agreement or the transaction or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the transaction, including the divestiture agreement and the transactions contemplated thereby, the potential internal restructuring contemplated by the merger agreement, the fairness of the transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Penn or Pinnacle; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Penn or Pinnacle, or any class of such persons in connection with the transaction, whether relative to the merger consideration to be paid by Penn for each share of Pinnacle's common stock pursuant to the merger agreement or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of its opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs does not express any opinion as to the prices at which shares of Penn's common stock will trade at any time or as to the impact of the transaction on the solvency or viability of Penn or Pinnacle or the ability of Penn or Pinnacle to pay their respective obligations when they come due. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the board of directors of Penn in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before December 15, 2017 the last trading day before the public announcement of the transaction, and is not necessarily indicative of current market conditions. For purposes of performing its analyses, Goldman Sachs calculated the implied value of the merger consideration of \$32.47 per share of Pinnacle common stock, excluding the ticking fee, based on the \$29.69 closing price of a share of Penn common stock on December 15, 2017.

Pinnacle Financial Analyses

Premia Analysis. Goldman Sachs reviewed and analyzed, using publicly available information, the acquisition premia for all-cash and cash and stock combination acquisition transactions announced during the time period from 2010 through 2017 involving a public company as the target where the disclosed enterprise values for the transaction were between \$1 billion and \$5 billion. For the entire period, using publicly available information, Goldman Sachs calculated the 25th percentile and 75th percentile premia of the price paid in the transactions relative to (i) the target's last closing stock price prior to announcement of the transaction, and (ii) the target's high stock price during the 52-week period preceding the last closing stock price prior to the announcement of the transaction. This analysis indicated a 25th percentile premium of 14% and 75th percentile premium of 42% across

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the period, with respect to the last closing stock price prior to the announcement of the transaction, and a 25th percentile premium of 1% and 75th percentile premium of 23% across the period, with respect to the high stock price during the 52-week period preceding the last closing stock price prior to the announcement of the transaction. Using this analysis, Goldman Sachs applied a reference range of illustrative premia of 14% to 42% to the closing price per share of Pinnacle's common stock of \$21.86 as of October 4, 2017, the last trading day prior to publication in the Wall Street Journal of an article about the potential transaction, and calculated a range of implied equity values per share of Pinnacle's common stock of \$24.85 to \$30.93, and a reference range of illustrative premia of 1% to 23% to \$21.97, the 52-week high during the period preceding October 4, 2017, and calculated a range of implied values per share of Pinnacle's common stock of \$22.08 to \$27.09.

Illustrative Unlevered Discounted Cash Flow Analysis. Using the Forecasts (excluding and including Synergies), Goldman Sachs performed an illustrative unlevered discounted cash flow analysis on Pinnacle. Using discount rates ranging from 6.8% to 7.8%, reflecting estimates of Pinnacle's weighted average cost of capital, Goldman Sachs discounted to present value as of September 30, 2017 (i) estimates of unlevered free cash flow for Pinnacle net of the Boyd divestitures plus assumed net proceeds from the sale of the Boyd divestitures for Q4 2017 through 2021 as reflected in the Forecasts and (ii) a range of illustrative terminal values for Pinnacle, which were calculated by applying perpetuity growth rates ranging from 1.0% to 1.5%, to a terminal year estimate of the free cash flow to be generated by Pinnacle, as extrapolated from the Forecasts (which implied a range of terminal EV/EBITDA multiples of 5.9x to 7.5x (excluding Synergies) and 7.1x to 9.1x (including Synergies)). Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the Forecasts, Penn management guidance, and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs derived ranges of illustrative enterprise values for Pinnacle by adding the ranges of present values it derived above and adjusting for the assumed proceeds from the Boyd divestitures. Goldman Sachs then subtracted the net debt from the range of illustrative enterprise values it derived for Pinnacle, in each case, as provided by the management of Penn to derive a range of illustrative equity values for Pinnacle. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of Pinnacle, as provided by the management of Pinnacle, to derive a range of illustrative present values per share ranging from \$21.95 to \$27.63 (excluding Synergies) and \$34.66 to \$44.05 (including Synergies).

Penn Standalone and Pro Forma Financial Analyses

Illustrative Present Value of Future Share Price Analysis. Goldman Sachs performed illustrative analyses of the implied present value of an illustrative future value per share of Penn common stock on both a standalone basis (excluding Synergies) and a pro forma basis (including Synergies). This analysis is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's financial multiples. For this analysis, Goldman Sachs used the Forecasts for each of the fiscal years 2018 to 2021. Goldman Sachs first calculated the implied values per share of Penn common stock as of December 15, 2017 for each of the fiscal years 2018 to 2020, by applying full year forward EBITDA multiples of 7.0x to 8.5x to full year EBITDA estimates for each of the fiscal years 2018 to 2020. These illustrative multiple estimates were derived by Goldman Sachs utilizing its professional judgment and experience, taking into account current and historical trading data and the current and historical EBITDA multiples for Penn. Goldman Sachs then discounted 2018 and 2020 values back, respectively, using an illustrative discount rate of 10.15%, reflecting an estimate of Penn's cost of equity. Goldman Sachs derived such range of discount rates by application of the

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Capital Asset Pricing Model, which requires certain company-specific inputs, including a beta for the company, as well as certain financial metrics for the United States financial markets generally. These analyses resulted in a range of implied present values of \$23.98 to \$32.00 per share of Penn common stock on a standalone basis (excluding Synergies), and a range of implied present values of \$24.93 to \$33.69 per share of Penn common stock on a pro forma basis (including Synergies), if no ticking fee is payable, and of \$24.61 to \$33.40 if the full ticking fee of \$0.76 per Pinnacle share is payable.

Illustrative Unlevered Discounted Cash Flow Analysis. Using the Forecasts, Goldman Sachs performed illustrative unlevered discounted cash flow analyses on Penn on both a standalone basis and a pro forma basis. Using discount rates ranging from 6.8% to 7.8%, reflecting estimates of Penn's weighted average cost of capital, Goldman Sachs discounted to present value as of September 30, 2017 (i) estimates of unlevered free cash flow for Penn for the fourth quarter of 2017 through 2021 as reflected in the Forecasts and (ii) a range of illustrative terminal values for Penn, which were calculated by applying perpetuity growth rates ranging from 1.0% to 1.5%, to a terminal year estimate of the free cash flow to be generated by Penn, as reflected in the Forecasts (which analysis implied a range of terminal EV/EBITDA multiples of 7.4x to 9.5x (standalone) and 7.3x to 9.3x (pro forma)). Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs derived ranges of illustrative enterprise values for Penn by adding the ranges of present values it derived above. Goldman Sachs then subtracted the net debt from the range of illustrative enterprise values it derived for Penn, in each case, as provided by the management of Penn to derive a range of illustrative equity values for Penn. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of Penn, as provided by the management of Penn to derive a range of illustrative present values per share ranging from \$29.15 to \$40.44 on a standalone basis and from \$30.16 to \$43.51 on a pro forma basis if no ticking fee is payable and \$29.75 to \$43.11 if the full ticking fee of \$0.76 per Pinnacle share is payable.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Penn or Pinnacle or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to the Penn board as to the fairness from a financial point of view to Penn of the merger consideration to be paid by Penn for each outstanding share of Pinnacle common stock pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Penn, Pinnacle, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

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The merger consideration was determined through arm's-length negotiations between Penn and Pinnacle and was approved by the Penn board. Goldman Sachs provided advice to Penn during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Penn or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the transaction.

As described above, Goldman Sachs' opinion to the Penn board was one of many factors taken into consideration by the Penn board in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex I.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Penn, Pinnacle, Boyd, GLPI, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transaction contemplated by the merger agreement (including the Boyd divestitures and the real estate transactions) for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs acted as financial advisor to Penn in connection with, and have participated in certain of the negotiations leading to, the transaction. Goldman Sachs has provided certain financial advisory and/or underwriting services to Penn and its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as joint bookrunner in connection with the public offering of Penn's 5.625% Senior Notes due 2027 (aggregate principal amount \$400 million) and lead arranger in connection with a Term Loan B (aggregate principal amount \$500 million) in January 2017. During the two year period ended December 17, 2017, Goldman Sachs has recognized compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Penn and/or its affiliates of approximately \$876,000. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Pinnacle and/or its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as joint bookrunner in connection with the public offering of Pinnacle's 5.625% Senior Notes due 2024 (aggregate principal amount \$375 million) and as lead arranger in connection with a Term Loan B (aggregate principal amount \$300 million) in April 2016, as financial advisor in connection with Pinnacle's sale of real estate to GLPI in April 2016, and as joint bookrunner in connection with the public offering of Pinnacle's 5.625% Senior Notes due 2024 (aggregate principal amount \$125 million) in October 2016. During the two year period ended December 17, 2017, Goldman Sachs has recognized compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Pinnacle and/or its affiliates of approximately \$27,368,000. At the request of Penn National Gaming, an affiliate of Goldman Sachs, together with certain other banks and financial institutions, entered into financing commitments and agreements to (i) provide Penn with a new \$1,140 million seven-year Term Loan B facility ("TLB") and an \$840 million 364-day senior unsecured bridge loan facility ("Bridge") in connection with the acquisition of Pinnacle Entertainment, (ii) amend Penn's existing Credit Agreement to (a) increase by \$400 million the amount of Penn's existing \$293 million Term Loan A ("TLA") and extend its maturity from January 19, 2022, to July 19, 2023, and (b) extend the maturity of Penn's existing \$700 million Revolving Credit Facility ("RCF") from January 19, 2022, to July 19, 2023. An affiliate of Goldman Sachs will act as Joint Lead Arranger and Joint Bookrunner for the financing, and subject to the terms and conditions set forth in its commitments has committed to lend (i) \$245 million to the TLB, (ii) \$180 million to the Bridge, and (iii) an aggregate of \$150 million across the TLA and RCF. The final syndicated amounts based on the takeout structure

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upon transaction close in third quarter of 2018, is expected to consist of a \$850 million TLB and \$400 million TLA. The actual amount of aggregate fees to be received by Goldman Sachs and its affiliates in connection with the debt financing for the acquisition will depend upon, among other things, the timing of reductions of the bridge loan commitments, the completion date of the acquisition, the final syndicated amount of the reduced TLB and Bridge upon transaction launch in third quarter of 2018, the final split between TLA and RCF upon transaction close in the third quarter of 2018, Penn's decision to exercise the agreed-upon rebate option on the fees, and the issuance costs for such debt financing. Penn currently expects that Goldman Sachs and its affiliates' aggregate gross fees in connection with such financings will range from approximately \$5.3 million to \$7.1 million. During the two year period ended December 17, 2017, Goldman Sachs has not recognized any compensation for financial advisory or underwriting services provided by its Investment Banking Division to Boyd, GLPI or any of their respective affiliates. Goldman Sachs may also in the future provide investment banking services to Penn, Pinnacle, Boyd, GLPI and their respective affiliates for which Goldman Sachs' Investment Banking Division may receive compensation.

The board of directors of Penn selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction. Pursuant to a letter agreement dated December 16, 2017, Penn engaged Goldman Sachs to act as its financial advisor in connection with the transaction. The engagement letter between Penn and Goldman Sachs provides for a transaction fee of up to \$22,500,000, \$1,500,000 of which was a work fee, and the remainder of which (including a \$2,500,000 fee payable at the discretion of Penn) is contingent upon consummation of the merger. In addition, Penn has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Opinion of Pinnacle's Financial Advisor

Pursuant to an engagement letter dated December 11, 2017, Pinnacle formally retained J.P. Morgan as its financial advisor in connection with the merger.

At the meeting of the Board on December 17, 2017, J.P. Morgan rendered its oral opinion to the Pinnacle Board that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be paid to the holders of shares of Pinnacle's common stock in the merger was fair, from a financial point of view, to such holders. J.P. Morgan has confirmed its December 17, 2017 oral opinion by delivering its written opinion to the Pinnacle Board, dated December 17, 2017, that, as of such date, the consideration to be paid to the holders of shares of Pinnacle's common stock in the merger was fair, from a financial point of view, to such holders.

The full text of the written opinion of J.P. Morgan dated December 17, 2017, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex J to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Pinnacle's stockholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the Pinnacle Board (in its capacity as such) in connection with and for the purposes of its evaluation of the merger, was directed only to the consideration to be paid in the merger and did not address any other aspect of the merger. J.P. Morgan expressed no opinion as to the fairness of the consideration to the holders of any other class of securities, creditors or other constituencies of Pinnacle or as to the underlying decision by Pinnacle to engage in the merger. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The opinion does not constitute a recommendation to any stockholder of Pinnacle as to how such stockholder should vote with respect to the merger or any other matter.

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In arriving at its opinions, J.P. Morgan, among other things:

reviewed an execution version dated December 17, 2017 of the merger agreement;

reviewed certain publicly available business and financial information concerning Pinnacle and Penn and the industries in which they operate;

compared the financial and operating performance of Pinnacle and Penn with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of Pinnacle's common stock and Penn's common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the management of Pinnacle and certain internal financial analyses and forecasts for Penn prepared by Penn management and provided to Pinnacle management, which were subsequently adjusted and approved by Pinnacle management, relating to their respective businesses, as well as the estimated amount and timing of the cost saving and related expenses and synergies (which we refer to as the "synergies") expected to result from the merger; and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

In addition, J.P. Morgan held discussions with certain members of the management of Pinnacle and Penn with respect to certain aspects of the merger, and the past and current business operations of Pinnacle, the financial condition and future prospects and operations of Pinnacle and Penn, the effects of the merger on the financial condition and future prospects of Pinnacle and Penn and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Pinnacle and Penn or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not independently verify any such information or its accuracy or completeness and, pursuant to J.P. Morgan's engagement letter with Pinnacle, J.P. Morgan did not assume any obligation to undertake any such independent verification. J.P. Morgan did not conduct nor was it provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of Pinnacle or Penn under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, including the synergies, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Pinnacle and Penn to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. In addition, J.P. Morgan also assumed that the merger will occur by October 31, 2018 and that, accordingly, no additional contingent cash consideration will be paid pursuant to the merger agreement. J.P. Morgan also assumed that the merger and the other transactions contemplated by the merger agreement will have the tax consequences described in discussions with, and materials furnished to J.P. Morgan by, representatives of Pinnacle, and will be consummated as described in the merger agreement, and that the definitive merger agreement would not differ in any material respect from the execution version thereof provided to J.P. Morgan. J.P. Morgan also assumed that the representations and warranties made by Pinnacle and Penn in the merger agreement and the related agreements were and will be true and correct in all respects material to its analysis. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to Pinnacle with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Pinnacle or Penn or on the contemplated benefits of the merger.

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J.P. Morgan's opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. J.P. Morgan's opinion noted that subsequent developments may affect J.P. Morgan's opinion, and that J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, of the consideration to be paid to the holders of shares of Pinnacle's common stock in the merger, and J.P. Morgan has expressed no opinion as to the fairness of any consideration to the holders of any other class of securities, creditors or other constituencies of Pinnacle or the underlying decision by Pinnacle to engage in the merger. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the merger, or any class of such persons relative to consideration to be paid to the holders of shares of Pinnacle's common stock in the merger or with respect to the fairness of any such compensation. J.P. Morgan expressed no opinion as to the price at which Pinnacle common stock or Penn common stock will trade at any future time.

The terms of the merger agreement were determined through arm's length negotiations between Pinnacle and Penn, and the decision to enter into the merger agreement was solely that of the Pinnacle Board and the Penn Board. J.P. Morgan's opinion and financial analyses were only one of the many factors considered by the Pinnacle Board in its evaluation of the merger and should not be viewed as determinative of the views of the Pinnacle Board or Pinnacle management with respect to the merger or the consideration to be paid in the merger.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methodologies in connection with its opinion. The following is a summary of the material financial analyses utilized by J.P. Morgan in connection with rendering its opinion to the Pinnacle Board on December 17, 2017 and contained in the presentation delivered to the Pinnacle Board on such date in connection with the rendering of such opinion and does not purport to be a complete description of the analyses or data presented by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan's analyses. For purposes of the following summary, the term "unaffected" when applied to a share price means the closing price of shares of common stock on October 4, 2017, the last trading day before the release of press reports that Pinnacle and Penn were in possible merger discussions, and the term "affected" refers when applied to a share price means such share price on any days or periods after October 4, 2017.

Public Trading Multiples

Using publicly available information and management projections for Pinnacle, J.P. Morgan calculated the ratio of Pinnacle's firm value (calculated as the market value of Pinnacle's common stock, as the case may be, on a fully diluted basis, plus any debt and minority interest, less cash and cash equivalents) to equity research analyst estimates for Pinnacle's and Penn's EBITDA (as defined in "*Certain Pinnacle Unaudited Prospective Financial Information*"), as well as to Pinnacle management's projections for EBITDA, for the fiscal year ended December 31, 2018 (the "FV/2018 EBITDA"). For purposes of its opinion J.P. Morgan analyzed trading multiples only for Pinnacle and Penn because there were no comparable gaming companies that were operating companies only (i.e., lease substantially all of their real property). J.P. Morgan also reviewed trading multiples for certain regional gaming companies, global gaming companies and gaming REITs, but such review was for reference only and J.P. Morgan did not compute an implied range of equity values based on such multiples.

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Based on the results of this analysis and other factors which J.P. Morgan considered appropriate based on its experience and judgment, J.P. Morgan selected FV/2018 EBITDA multiple reference ranges for Pinnacle of 6.75x - 7.50x. Applying this range to Pinnacle's estimated EBITDA of \$311 million for the fiscal year ended December 31, 2018 based on Pinnacle's projections provided by management, the analysis indicated, after taking into account debt and cash balance and number of shares outstanding, an implied per share equity value range for Pinnacle's common stock, rounded to the nearest \$0.25, of \$22.25 - \$26.00. This range of implied per share equity value was compared to (a) Pinnacle's unaffected share price of \$21.86, (b) Pinnacle's closing share price of \$29.60 on November 29, 2017, the last trading day prior to additional press reports that Pinnacle and Penn were in discussions, (c) Pinnacle's closing share price of \$30.95 on December 15, 2017 and (d) the implied value of the merger consideration of (i) \$32.47 per share of Pinnacle's common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42x and the affected closing price per share of Penn common stock of \$29.69 on December 15, 2017) and (ii) \$29.62 per share per share of Pinnacle common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42x and the unaffected closing price per share of Penn common stock of \$22.91).

Discounted Cash Flow Analysis

J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining an implied equity value per share of the Pinnacle's common stock. A discounted cash flow analysis is a method of evaluating an asset using estimates of the future cash flows generated by the asset and taking into consideration the time value of money with respect to those cash flows by calculating their "present value." The "unlevered free cash flows" refers to a calculation of those future cash flows of an asset without including in such calculation any debt servicing costs. "Present value" refers to the current value of the one or more future cash flows generated by the asset, and is obtained by discounting those cash flows back to the present using a discount rate that takes into account macro-economic assumptions and estimates of risk, the opportunity cost of capital and other appropriate factors. "Terminal value" refers to the present value of all future cash flows generated by the asset for periods beyond the projections period.

J.P. Morgan calculated the unlevered free cash flows that Pinnacle is expected to generate during fiscal years 2017 through 2021, which were based upon financial projections prepared by the management of Pinnacle and upon extrapolations reviewed and approved by the management of Pinnacle for the fiscal years 2022 through 2026 under both existing tax rates and as adjusted for a reduction in Federal tax rates to 21% under then-proposed legislation. J.P. Morgan also calculated a range of terminal values of Pinnacle at the end of the ten-year period ending 2026 under both scenarios by applying a terminal value growth rate ranging from 1.25% to 1.75% to the cash flow of Pinnacle during the terminal period of the projections, which range was based on discussions with, and reviewed by, Pinnacle management. For purposes of the foregoing analysis, the unlevered free cash flows in the terminal year were calculated by J.P. Morgan to be \$164 million (assuming then-current tax rates) and \$201 million (assuming Federal tax rate of 21%), in each case based on the projections provided by Pinnacle's management. The unlevered free cash flows and the range of terminal values (i) under the then-current tax rates and (ii) as adjusted for a reduction in Federal tax rates to 21.0% under then-proposed legislation were then discounted to present values using a range of discount rates from 8.25% to 9.25% and from 8.50% to 9.50%, respectively, which ranges was chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of Pinnacle, taking into account macro-economic assumptions, estimates of risk, Pinnacle's capital structure and other appropriate factors.

Based on the foregoing, this analysis indicated an implied per share equity value range for shares of Pinnacle's common stock, rounded to the nearest \$0.25, of (i) \$23.00 - \$28.75 under current tax rates and (ii) \$26.75 - \$33.25, using a Federal tax rate of 21.0%, each of which was compared to (a) Pinnacle's unaffected share price of \$21.86, (b) Pinnacle's closing share price of \$29.60 on

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November 29, 2017, the last trading day prior to additional press reports that Pinnacle and Penn were in discussions, (c) Pinnacle's closing share price of \$30.95 on December 15, 2017 and (d) the implied value of the merger consideration of (i) \$32.47 per share of Pinnacle's common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42x and the affected closing price per share of Penn common stock of \$29.69 on December 15, 2017) and (ii) \$29.62 per share per share of Pinnacle common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42x and the unaffected closing price per share of Penn common stock of \$22.91).

Other Information

Historical Trading Ranges. J.P. Morgan reviewed the unaffected trading range of Pinnacle's common stock for the 52-week period ended October 4, 2017, which was \$11.36 per share to \$22.10 per share and compared that to (a) Pinnacle's unaffected share price of \$21.86, (b) Pinnacle's closing share price of \$29.60 on November 29, 2017, the last trading day prior to additional press reports that Pinnacle and Penn were in discussions, (c) Pinnacle's closing share price of \$30.95 on December 15, 2017 and (d) the implied value of the merger consideration of (i) \$32.47 per share of Pinnacle's common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42x and the affected closing price per share of Penn common stock of \$29.69 on December 15, 2017) and (ii) \$29.62 per share per share of Pinnacle common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42x and the unaffected closing price per share of Penn common stock of \$22.91).

The historical trading ranges were presented merely for reference purposes only, and were not relied upon for valuation purposes.

Analyst Price Targets. J.P. Morgan reviewed both the affected and unaffected price targets for Pinnacle's common stock by certain equity research analysts, and noted that such price targets per share of Pinnacle's common stock were in the range of \$22.00 - \$26.00 for unaffected price targets and in the range of \$27.00 - \$36.00 for affected price targets.

The analyst price targets were presented merely for reference purposes only, and were not relied upon for valuation purposes.

Illustrative Value Creation Analysis. J.P. Morgan conducted an illustrative value creation analysis, both under the then-current tax rates and assuming a future 21.0% Federal tax rate, based on financial forecasts for Pinnacle prepared by Pinnacle management and financial forecasts for Penn prepared by Penn management and provided by Penn management to Pinnacle and adjusted and approved by Pinnacle management and provided to J.P. Morgan for use in its analysis and delivery of its opinion, that compared the implied equity value per share of Pinnacle common stock derived from a discounted cash flow valuation on a standalone basis to the pro forma combined company implied equity value per share, as adjusted for the stock portion of the merger consideration based on the exchange ratio of 0.42x. J.P. Morgan determined the pro forma combined company implied equity value per share by calculating: (i) the sum of (a) the implied equity value of each of Pinnacle and Penn using the midpoint value of each as determined in J.P. Morgan's discounted cash flow analysis, (b) 100% of the discounted present value of net synergies of \$125 million (as provided by Pinnacle's management), net of estimated transaction costs, and (c) the impact of (A) the discounted present value of certain dispositions and the estimated sale proceeds from such dispositions, (B) the discounted present value of rental expense from a sale leaseback transaction and the sale leaseback proceeds and (C) the discounted present value of agreed incremental rent, in the case of (A) and (B), as provided by Pinnacle management, and in each case to be effected in connection with the closing of the merger, and divided by (ii) the pro forma number of shares outstanding based upon the exchange ratio provided for in the merger (i.e., 0.42x) for the stock portion of the merger consideration. For purposes of the foregoing, for each discounted present value calculation, J.P. Morgan applied the midpoint of a perpetuity growth rate range of 1.25%

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to 1.75% and the midpoint of a discount rate range of 8.25% to 9.25% under the then-current tax environment and 8.50% to 9.50% assuming a future 21.0% Federal tax rate. The foregoing analysis indicated, on an illustrative basis, that the merger created hypothetical incremental implied value for the holders of Pinnacle common stock of 23.6% under the then-current tax environment and 16.0% assuming a future Federal tax rate of 21.0%. At the request of Pinnacle's management, J.P. Morgan also noted that the foregoing analysis using the same methodology, but substituting net synergies of \$100 million for \$125 million, indicated, on an illustrative basis, that the merger created hypothetical incremental implied value for the holders of Pinnacle common stock of 20.8% under the then-current tax environment and 13.2% assuming a future Federal tax rate of 21.0%.

J.P. Morgan noted that the value creation analysis was a hypothetical, illustrative analysis only and was not a prediction as to future share trading.

Selected Transaction Analysis

Using publicly available information, J.P. Morgan reviewed selected transactions involving acquired whole businesses and asset level transactions. Specifically, J.P. Morgan reviewed the following transactions involving companies in the gaming industry.

Whole Company Acquisitions

Acquiror	Target	Month/Year Announced
Caesars Entertainment	Centaur Holdings	November 2017
Golden Entertainment	American Casino & Entertainment	June 2017
Eldorado Resorts	Isle of Capri	September 2016
Eldorado Resorts	MTR Gaming	September 2013
Pinnacle Entertainment	Ameristar Casinos	December 2012
Boyd Gaming	Peninsula Gaming	May 2012

Asset Level Acquisitions

Acquiror	Target	Month/Year Announced
Gaming and Leisure Properties and Penn	Bally's Casino Tunica	March 2017
Casino Queen	Lady Luck Casino Marquette	October 2016
Red Rock Resorts	The Palms	May 2016
Boyd Gaming	Cannery Casino Hotel	April 2016
Boyd Gaming	Aliante Casino + Hotel + Spa	April 2016
MGM Resorts International	Borgata Hotel (Boyd)	May 2016
Gaming and Leisure Properties	Meadow Racetrack & Casino	December 2015

Using publicly available information, J.P. Morgan calculated, for each selected transaction, the ratio of the target company's, or the assets of the target company's, transaction value to the target company's EBITDA for the twelve-month period ("LTM") prior to announcement of the applicable transaction ("EV/LTM EBITDA"). This analysis resulted in, with respect to the whole company transactions, a mean EV/LTM EBITDA of 7.9x and a median EV/LTM EBITDA of 7.8x, and, with respect to the asset level acquisitions, a mean EV/LTM EBITDA of 11.0x and a median EV/LTM EBITDA of 9.6x.

Based on the results of this analysis, J.P. Morgan selected a multiple reference range of 7.0x - 9.0x and applied it to Pinnacle's LTM EBITDA as of September 30, 2017. The analysis indicated, after taking into account debt and cash balance and number of shares outstanding, an implied per share equity value range for shares of Pinnacle's common stock, rounded to the nearest \$0.25, of \$22.25 - \$31.50, which was compared to (a) Pinnacle's unaffected share price of \$21.86, (b) Pinnacle's closing share price of \$29.60 on November 29, 2017, the last trading day prior to additional press reports that

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Pinnacle and Penn were in discussions, (c) Pinnacle's closing share price of \$30.95 on December 15, 2017 and (d) the implied value of the merger consideration of (i) \$32.47 per share of Pinnacle's common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42 and the affected closing price per share of Penn common stock of \$29.69 on December 15, 2017) and (ii) \$29.62 per share per share of Pinnacle common stock (valuing the stock portion of the merger consideration based on the exchange ratio 0.42 and the unaffected closing price per share of Penn common stock of \$22.91).

Because Pinnacle is an operating company and none of these selected transactions were transactions involving gaming companies that were operating companies only, J.P. Morgan believed that none of the selected transactions reviewed was directly relevant to the merger or Pinnacle. The selected transaction analyses were presented merely for reference purposes only, and were not relied upon for valuation purposes.

Miscellaneous.

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create points of reference for analytical purposes and should not be taken to be the view of J.P. Morgan with respect to the actual value of Pinnacle or Penn. The order of analyses described does not represent the relative importance or weight given to those analyses by J.P. Morgan. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion.

Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be acquired or sold. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to the Pinnacle and the transactions compared to the merger.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for corporate and other purposes. J.P. Morgan was selected to advise Pinnacle with respect to the merger on the basis of, among other things, such experience and its qualifications and reputation in connection with such matters and its familiarity with Pinnacle and the industries in which it operates. J.P. Morgan received a fee from Pinnacle of \$3,000,000 for the delivery of its opinion. Pinnacle has agreed to pay J.P. Morgan a transaction fee of \$25,000,000, against which the opinion fee will be credited, upon the consummation of the merger. In the event that Pinnacle or any of its affiliates is paid a break-up, termination or similar fee in connection with the termination, abandonment or failure to occur of the proposed

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merger, Pinnacle has agreed to pay J.P. Morgan a fee equal to 10% of such amount (after deducting Pinnacle's out-of-pocket expenses actually incurred by it in connection with the transaction, other than the fee paid to J.P. Morgan for delivery of its opinion), which fee will not exceed the aggregate fee payable to J.P. Morgan in connection with the merger and against which any of the foregoing fees paid by Pinnacle will be credited. In addition, Pinnacle has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan against certain liabilities arising out of J.P. Morgan's engagement. During the two years preceding the date of J.P. Morgan's opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with Pinnacle and Penn, for which J.P. Morgan and such affiliates have received customary compensation. Such services during such period have included acting as joint lead arranger on Pinnacle's credit facility in April 2016 and as joint lead bookrunner on Pinnacle's offerings of debt securities in April 2016 and October 2016, and acting as joint lead arranger on Penn's revolving and term loan credit facilities in January 2017 and joint lead bookrunner on Penn's offering of debt securities in January 2017. In addition, J.P. Morgan's commercial banking affiliate is an agent bank and a lender under outstanding credit facilities of Pinnacle, for which it receives customary compensation or other financial benefits. During the two year period preceding delivery of its opinion ending on December 17, 2017, the aggregate fees received by J.P. Morgan from Pinnacle were \$7,331,000 and from Penn were \$2,450,000. In addition, J.P. Morgan and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of each of Pinnacle and Penn. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of Pinnacle or Penn for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities or financial instruments.

Financing of the Transactions

Excluding the share issuance, Penn anticipates that the total amount necessary to finance the merger and to pay transaction fees and expenses will be approximately \$2.3 billion. This amount is expected to be funded through a combination of available cash on hand, net proceeds from the Boyd divestitures, the Plainridge real estate transaction and the Belterra Park real estate transaction, borrowings under the 2018 Incremental Term Loan A Facility described below, borrowings under the 2018 Incremental Term Loan B Facility described below and the issuance and sale by Penn of senior unsecured notes and/or borrowings under the Bridge Facility described below.

In connection with the transactions, Penn entered into a commitment letter dated December 17, 2017 with Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated (together with Bank of America, N.A. and any of its affiliates "BofA Merrill Lynch") and Goldman Sachs Bank USA for the purpose of financing the merger and paying related fees and expenses. On January 25, 2018, Penn entered into an amended and restated commitment letter with BofA Merrill Lynch, Goldman Sachs Bank USA, Fifth Third Bank, U.S. Bank National Association, Wells Fargo Securities, LLC, Wells Fargo Bank, National Association, Citizens Bank, N.A., SunTrust Robinson Humphrey, Inc., SunTrust Bank, TD Securities (USA) LLC, The Toronto-Dominion Bank, New York Branch and TD Bank, N.A. (collectively, the "commitment parties"). The amended and restated commitment letter replaced the original commitment letter in all respects. Pursuant to the amended and restated commitment letter, the commitment parties agreed to provide to Penn a \$387,174,375 senior secured term loan A facility (the "2018 Incremental Term Loan A Facility"), a \$752,825,625 senior secured term loan B facility (the "2018 Incremental Term Loan B Facility") and a \$840 million senior unsecured bridge loan facility (the "Bridge Facility," together with the 2018 Incremental Term Loan A Facility and the 2018 Incremental Term Loan B Facility, the "Credit Facilities"). The commitments of the commitment parties under the amended and restated commitment letter expire on the earliest to occur of (i) the termination of the merger agreement in accordance with its terms without the closing of the merger, (ii) the consummation of the merger without the funding of the Credit Facilities and (iii) the

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date that is 5 business days after the "End Date" as defined in the merger agreement as in effect on December 17, 2017 and giving effect to each "End Date Extension" as defined in the merger agreement, but in no event later than January 22, 2019.

The availability of the Credit Facilities is subject to, among other things:

the substantially concurrent consummation of the merger pursuant to the merger agreement, without any amendments or waivers by Penn, and no consents with respect to any term or condition by Penn, that are materially adverse to the commitment parties or the lenders thereunder, unless approved by the commitment parties holding a majority of the commitments for the Credit Facilities (the "majority commitment parties") (such approval not to be unreasonably withheld, conditioned or delayed);

the landlord consent agreement, the rent allocation agreement and, in certain circumstances, the amendment to the Pinnacle master lease (the "Pinnacle Lease Amendment") being in full force and effect, without any amendments or waivers by Penn, and no consents with respect to any term or condition by Penn, that are materially adverse to the lenders thereunder, unless approved by the majority commitment parties (such approval not to be unreasonably withheld, conditioned or delayed);

each of the Penn master lease and the Pinnacle master lease being in full force and effect (except as modified by the Pinnacle Lease Amendment), without any amendments or waivers by Penn, and no consents with respect to any term or condition by Penn, that are materially adverse to the lenders thereunder, unless approved by the majority commitment parties (such approval not to be unreasonably withheld, conditioned or delayed);

delivery of certain quarterly and annual financial statements of Penn and Pinnacle and certain pro forma financial information;

Penn's use of commercially reasonable efforts to provide the lead arranger a 10 business day marketing period to syndicate the Credit Facilities;

with respect to the Bridge Facility, Penn's use of commercially reasonable efforts to (i) prepare one or more offering documents, (ii) arrange for delivery of customary drafts of comfort letters related to certain financial information in such offering documents and (iii) provide a 10 business day marketing period to seek to place unsecured notes;