

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ 368(a)(1)(A), 354, 356, 358

Horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ No.

Horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

Horizontal lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signed by:  Signature ▶ _____ Date ▶ 1/13/2025 | 10:33 PST
E97AD44D58D645D...
Print your name ▶ Alan Ellingson Title ▶ Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

DraftKings Inc.

EIN: 87-2764212

Attachment to Form 8937

Form 8937, Part II, Box 14

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On December 3, 2024, DraftKings Inc. ("DraftKings"), in connection with the consummation of the transactions contemplated by the Agreement and Plan of Merger, dated August 28, 2024 (the "Merger Agreement"), acquired all of the outstanding shares of capital stock of SimpleBet, Inc. ("SimpleBet") (other than certain excluded shares) through (i) a merger of Siena Merger Sub Inc., a direct wholly owned subsidiary of DraftKings, with and into SimpleBet (the "Initial Merger") with SimpleBet continuing as the surviving corporation and a wholly owned subsidiary of DraftKings and (ii) promptly following the effectiveness of Initial Merger, a merger of SimpleBet with and into Siena Merger Sub LLC, a direct wholly owned subsidiary of DraftKings ("Merger Sub II"), with Merger Sub II continuing as the surviving company (such merger, the "Subsequent Merger"). In connection with the Initial Merger and as part of the consideration delivered in connection therewith, SimpleBet distributed certain shares of Betr Holdings Inc. capital stock owned by SimpleBet (the "Betr Shares") to certain of SimpleBet's shareholders in a taxable distribution (the "Distribution" and, together with the Initial Merger and the Subsequent Merger, the "Transactions").

As a result of the Transactions, each outstanding share of SimpleBet's capital stock (other than certain excluded shares) was converted as follows (in each case, with cash payments in lieu of the issuance of any fractional shares of DraftKings Class A common stock):

- Each share of Series C Preferred Stock held by accredited investors was converted into:
 - i. approximately \$28.28 of DraftKings Class A common stock; and
 - ii. approximately \$19.67 of cash and other property.
- Each share of Series C-1 Preferred Stock held by accredited investors was converted into:
 - i. approximately \$15.98 of DraftKings Class A common stock; and
 - ii. approximately \$11.12 of cash and other property.
- Each share of Series B Preferred Stock held by accredited investors was converted into:
 - i. approximately \$15.75 of DraftKings Class A common stock; and
 - ii. approximately \$10.96 of cash and other property.
- Each share of Series A Preferred Stock held by accredited investors was converted into:
 - i. approximately \$2.94 of DraftKings Class A common stock; and
 - ii. approximately \$2.05 of cash and other property.

Subject to the satisfaction of certain performance thresholds and certain other terms and conditions set forth in the Merger Agreement, additional shares of DraftKings Class A common stock may be issued to persons that held shares of SimpleBet preferred stock, shares of SimpleBet common stock and/or options exercisable for shares of SimpleBet common stock, in each case immediately prior to the consummation of the Initial Merger (collectively, the "Eligible Earn-out Recipients"), and are accredited investors, with cash payments being made in lieu of (i) the issuance of any fractional shares of DraftKings Class A common stock to such accredited investors and (ii) the issuance of any shares of DraftKings Class A common stock

to Eligible Earn-out Recipients that are non-accredited investors. The expected tax treatment of the Transactions is a tax-free reorganization under Section 368(a)(1)(A) of the Code.

Immediately after the Transactions, DraftKings stockholders continued to own their existing shares of DraftKings common stock, the form of which was not changed by the Transactions.

Box 15

Each former shareholder of SimpleBet received a basis in its DraftKings Class A common stock received in connection with the Transactions that is equal to the aggregate adjusted basis of the shares of SimpleBet stock surrendered in the Transactions, reduced by the amount of any boot, including the Betr Shares, it received in the Transactions and increased by the amount of any gain it recognized on the Transactions.

Box 16

As described in Box 15, assuming that the Transactions qualify as a reorganization within the meaning of Section 368(a) of the Code, the aggregate tax basis of the DraftKings Class A common stock received by a former SimpleBet securityholder that is a U.S. holder in the Transactions (including any fractional shares of DraftKings Class A common stock deemed received and exchanged for cash, as discussed above) will equal the adjusted tax basis of such U.S. holder's SimpleBet capital stock exchanged therefor, reduced by the amount of any boot, including the Betr Shares, it received in the Transactions and increased by the amount of any gain it recognized on the Transactions.