Q4 2023 EARNINGS PRESENTATION

February 15, 2024

Legal Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including statements about DraftKings Inc. (the “Company” or “DraftKings”), Jackpocket, Inc. (“Jackpocket”) and their respective industries that involve substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this presentation, including statements regarding guidance, DraftKings’ and Jackpocket’s consummation of the Proposed Transaction (as defined below) and future results of operations or financial condition, strategic plans and focus, user growth and engagement, product initiatives, and the objectives and expectations of management for future operations (including launches in new jurisdictions and the expected timing thereof), are forward-looking statements.

In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “confident,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “going to,” “intend,” “may,” “plan,” “poised,” “potential,” “predict,” “project,” “propose,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. DraftKings cautions you that the foregoing may not include all of the forward-looking statements made in this presentation.

You should not rely on forward-looking statements as predictions of future events. DraftKings has based the forward-looking statements contained in this presentation primarily on its current expectations and projections about future events and trends, including the current macroeconomic environment, that it believes may affect its and Jackpocket’s business, financial condition, results of operations, and prospects. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside DraftKings’ and Jackpocket’s control and that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include, but are not limited to, the outcome of any legal proceedings that may be instituted against DraftKings and Jackpocket following the announcement of the Agreement and Plan of Merger and Plan of Reorganization, dated as of February 11, 2024, by and between DraftKings, Jackpocket and certain DraftKings affiliates (the “Merger Agreement”) and the transactions contemplated by the Merger Agreement (the “Proposed Transaction”); the inability to complete the Proposed Transaction, including due to failure to obtain the requisite approvals of Jackpocket’s stockholders or applicable regulatory authorities or the failure to satisfy certain other conditions to closing in the Merger Agreement; the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement or could otherwise cause the Proposed Transaction to fail to close; the risk that the Proposed Transaction disrupts current plans or operations as a result of the announcement and consummation of the Proposed Transaction; the ability to recognize the anticipated benefits of the Proposed Transaction, which may be affected by, among other things, competition and the ability of DraftKings and Jackpocket to grow and manage growth and retain its key employees; costs related to the Proposed Transaction; DraftKings’ and Jackpocket’s abilities to execute their respective business plans and meet their respective projections; potential litigation involving DraftKings or Jackpocket; changes in applicable laws or regulations, particularly with respect to online gaming, digital lottery courier or similar businesses; general economic and market conditions impacting demand for DraftKings’ and Jackpocket’s products and services; economic and market conditions in the media, entertainment, gaming, lottery and software industries in the jurisdictions in which DraftKings and Jackpocket operate; global conditions and economic factors, as well as the potential impact of general economic conditions, including inflation, rising interest rates and instability in the banking system, on DraftKings’ and Jackpocket’s liquidity, operations and personnel, as well as the risks, uncertainties, and other factors described in “Risk Factors” in DraftKings’ filings with the SEC, which are available on the SEC’s website at www.sec.gov. Additional information will be made available in other filings that DraftKings makes from time to time with the SEC. The forward-looking statements contained herein are based on the DraftKings management’s current expectations and beliefs and speak only as of the date hereof, and neither DraftKings nor Jackpocket makes any commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations, except as required by law.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Flow-through Percentage, and Free Cash Flow, which we use to supplement our results presented in accordance with U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures, which may not be comparable to other similarly titled measures of performance used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We define and calculate Adjusted EBITDA as net loss before the impact of interest income or expense (net), income tax provision or benefit, and depreciation and amortization, and further adjusted for the following items: stock-based compensation; transaction-related costs; litigation, settlement and related costs; advocacy and other related legal expenses; gain or loss on remeasurement of warrant liabilities; and other non-recurring and non-operating costs or income. We define and calculate Adjusted EBITDA Flow-through Percentage as the year-over-year change in Adjusted EBITDA divided by the year-over-year change in revenue. We define and calculate Free Cash Flow as Adjusted EBITDA less investments into property and equipment and capitalized software, adjusted for sources or uses of cash from changes in net working capital and sources or uses of cash from net cash interest, and less corporate cash taxes paid. A reconciliation of Adjusted EBITDA to its most directly comparable financial measure calculated in accordance with GAAP is provided in the Appendix of this presentation.

Q4 and current business highlights

1	**Q4 2023 core value drivers exceeded expectations; revenue of $1,231M increased 44% YoY and Adj. EBITDA[1] of $151M improved by $201M YoY**
2	**Increased OSB and iGaming share substantially YoY in Q4 2023**
3	**Increasing FY 2024 revenue and Adj. EBITDA guidance[2] midpoints by $125M and $60M, respectively, implying YoY Adj. EBITDA Flow-Through[3] of 55%**
4	**Acquiring #1 lottery app[4] Jackpocket for $750M[5]; expect the deal to add $60-100M and $100-150M of Adj. EBITDA in FY 2026 and FY 2028, respectively (detail on slides 8-15)**
5	**$1.3B of cash as of 12/31/23 and expect to generate $310M to $410M of Free Cash Flow[6] in FY 2024**

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, net income (loss), please refer to the appendix of this presentation.

(2) Reflects the midpoints of FY 2024 revenue and Adjusted EBITDA guidance that DraftKings provided on November 2, 2023 compared to the midpoints of FY 2024 revenue and Adjusted EBITDA guidance that DraftKings provided February 15, 2023.

(3) Adjusted EBITDA Flow-Through Percentage is a non-GAAP financial measure. We define Adjusted EBITDA Flow-Through as the year-over-year change in Adjusted EBITDA divided by the year-over-year change in revenue. FY 2024 Adjusted EBITDA Flow-Through percentage is calculated based off our FY 2023 results and the midpoint of our FY 2024 guidance ranges for revenue and Adjusted EBITDA. Does not include an impact from the acquisition of Jackpocket.

(4) Jackpocket was downloaded 9x more than its closest competitor in the digital lottery courier category in FY 2023, according to Sensor Tower estimates.

(5) The consummation of the acquisition of Jackpocket is subject to satisfaction of customary closing conditions.

(6) Free Cash Flow is a non-GAAP financial measure. We define Free Cash Flow as Adjusted EBITDA less investments into property and equipment and capitalized software, adjusted for sources or uses of cash from changes in net working capital and sources or uses of cash from net cash interest, and less corporate cash taxes paid. Does not include the expected cash outlay for the acquisition of Jackpocket.

Q4 core value drivers exceeded our expectations

Q4 Revenue and Adj. EBITDA[1] Guidance Compared to Actual Results
$ Millions

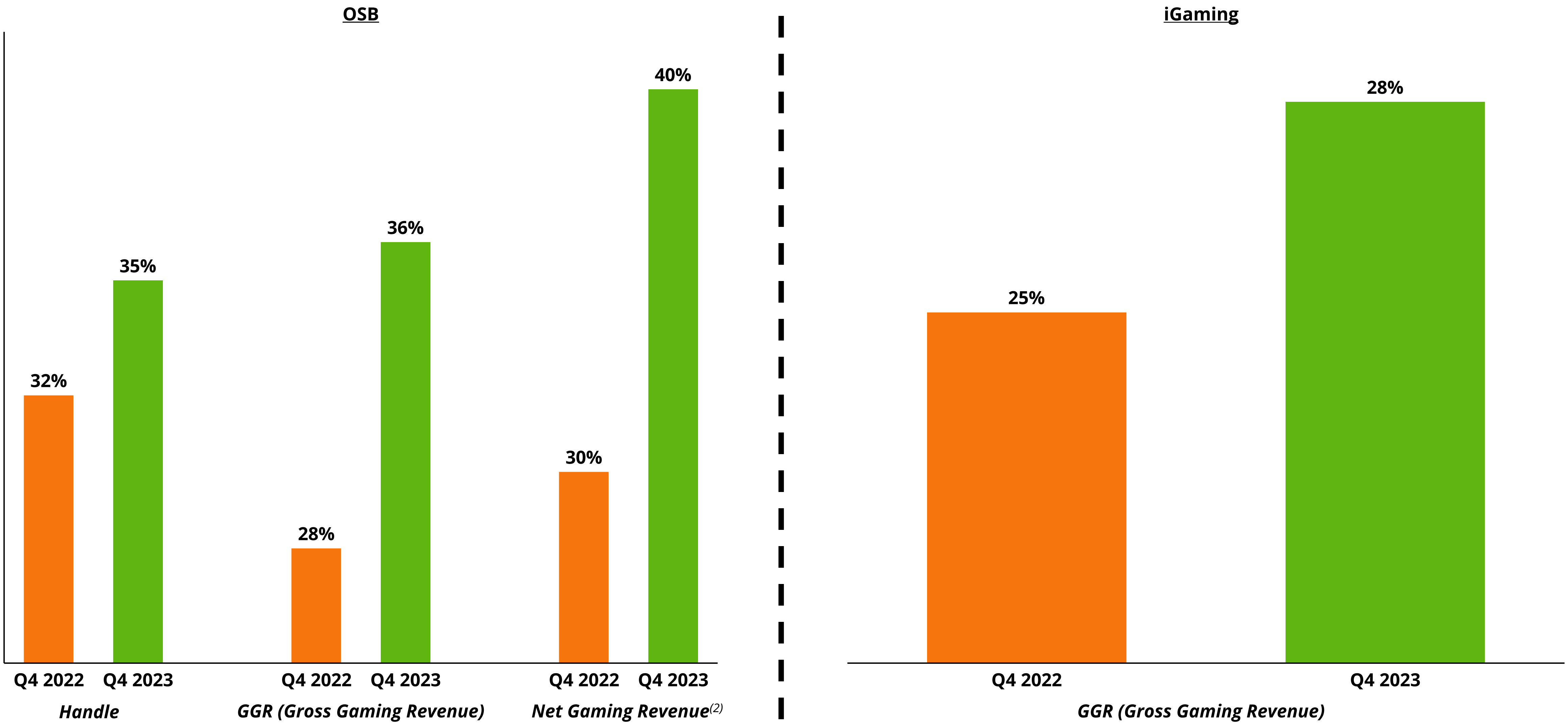
Core Value Drivers: Revenue +$146M and Adj. EBITDA +$80M

	Implied by November 2nd Guidance[2]	Stronger Customer Acquisition, Retention and Engagement	Higher OSB Hold due to Structural Improvement	Unfavorable Q4 Sport Outcomes	Fourth Quarter Actual Results
Revenue	**$1,260**	$93	$53	($175)	**$1,231**
Adj. EBITDA	**$197**	$42	$38	($126)	**$151**

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, net income (loss), please refer to the appendix of this presentation.
(2) Reflects the midpoint of FY 2023 guidance that DraftKings provided on November 2, 2023, less reported results for the 9 months ended September 30, 2023.

Our OSB and iGaming share increased substantially YoY in Q4

Share Percentage[1]



Sources: State Gaming Reports and DraftKings internal data

(1) Share denominator includes all U.S. states where DraftKings and/or Golden Nugget Online Gaming are live with OSB and/or iGaming, as applicable, and state-wide data was available as of February 13, 2024. Poker gross revenue is included in the TAM denominator (DraftKings does not currently offer poker).

(2) OSB net gaming revenue is defined by each state's definition and is not consistent with GAAP net revenue. States that report net gaming revenue in periods presented include Arizona, Colorado, Connecticut, Kansas, Kentucky, Maryland, Michigan, Ohio, and Pennsylvania.

Raising FY 2024 guidance midpoint by $125M for revenue and $60M for Adj. EBITDA[1]

Updated FY 2024 Guidance vs. Prior FY 2024 Guidance
$ Millions

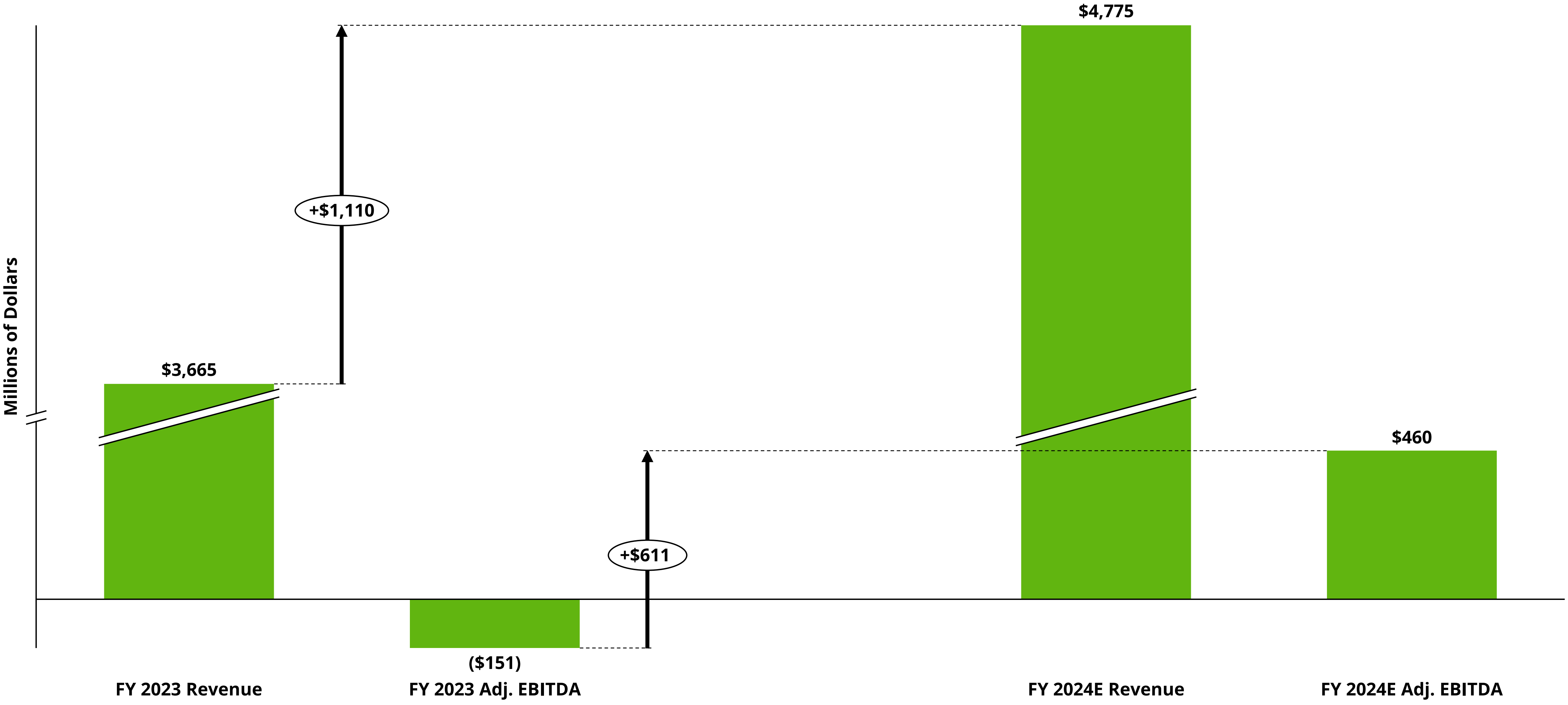
	FY 2024 Guidance Provided 11/2/2023	Stronger Customer Acquisition, Retention and Engagement	Higher OSB Hold due to Structural Improvement	FY 2024 Guidance Provided 2/15/2024[2]
Revenue	**$4,650**	$90	$35	**$4,775**
Adj. EBITDA	**$400**	$35	$25	**$460**

- **Stronger than expected new customer acquisition in the fourth quarter of 2023 resulting in more customers than anticipated for 2024**
- **Stronger than expected customer retention and engagement in the fourth quarter of 2023 expected to continue in 2024**
- **Stronger than expected structural hold percentage in the fourth quarter of 2023 (driven by parlay mix) provides confidence that structural hold will be higher in 2024**

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, net income (loss), please refer to the appendix of this presentation.
(2) FY 2024 guidance does not include any impact from the pending acquisition of Jackpocket.

We expect ~$1.1B of incremental revenue and ~$600M of incremental Adj. EBITDA[1] on a YoY basis in FY 2024

Expected[2] DraftKings Revenue and Adj. EBITDA Assuming Zero Additional OSB and/or iGaming States



(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, net income (loss), please refer to the appendix of this presentation.
(2) Figures presented represent our FY 2023 results and the midpoint of our FY 2024 guidance ranges for revenue and Adjusted EBITDA. FY 2024 guidance does not include any impact from the pending acquisition of Jackpocket.

JACKPOCKET ACQUISITION

Transaction rationale

1 **The U.S. lottery industry is massive with $100B+ in annual ticket sales and is projected to grow at a 5% CAGR through FY 2028**[1]

2 **Jackpocket is the #1 U.S. lottery app**[2] **and is expected to grow revenue 70%+ YoY in FY 2024E, ~15x faster than the broader U.S. lottery industry**

3 **Diligence revealed significant customer overlap**[3] **between Jackpocket and DraftKings with overlapping customers having 50%+ higher LTV profiles**[4]

4 **Jackpocket's ~80% lower CAC**[5] **vs. DraftKings will drive more efficient marketing**

5 **We expect the acquisition to add $60-100M and $100-150M of Adj. EBITDA**[6] **in FY 2026 and FY 2028, respectively**

(1) H2 Gambling Capital estimates FY 2023 U.S. lottery gross ticket sales were $108B and will grow to $138B in FY 2028. Lottery gross ticket sales includes draw-based, instant, and other lottery games.

(2) Jackpocket was downloaded 9x more than its closest competitor in the digital lottery courier category in FY 2023, according to Sensor Tower estimates.

(3) Overlapping customers is defined as customers who have had a paid activity on both Jackpocket and DraftKings OSB and/or iGaming in FY 2023, while non-overlapping customers are defined as DraftKings OSB and/or iGaming customers who have not engaged with Jackpocket.

(4) "LTV" represents customer lifetime value. DraftKings defines customer lifetime value as the gross profit a customer generates over time divided by a discount rate (cost of capital). Overlapping customers on average generated 53% higher OSB and iGaming GGR in FY 2023 compared to DraftKings customers that did not engage with Jackpocket.

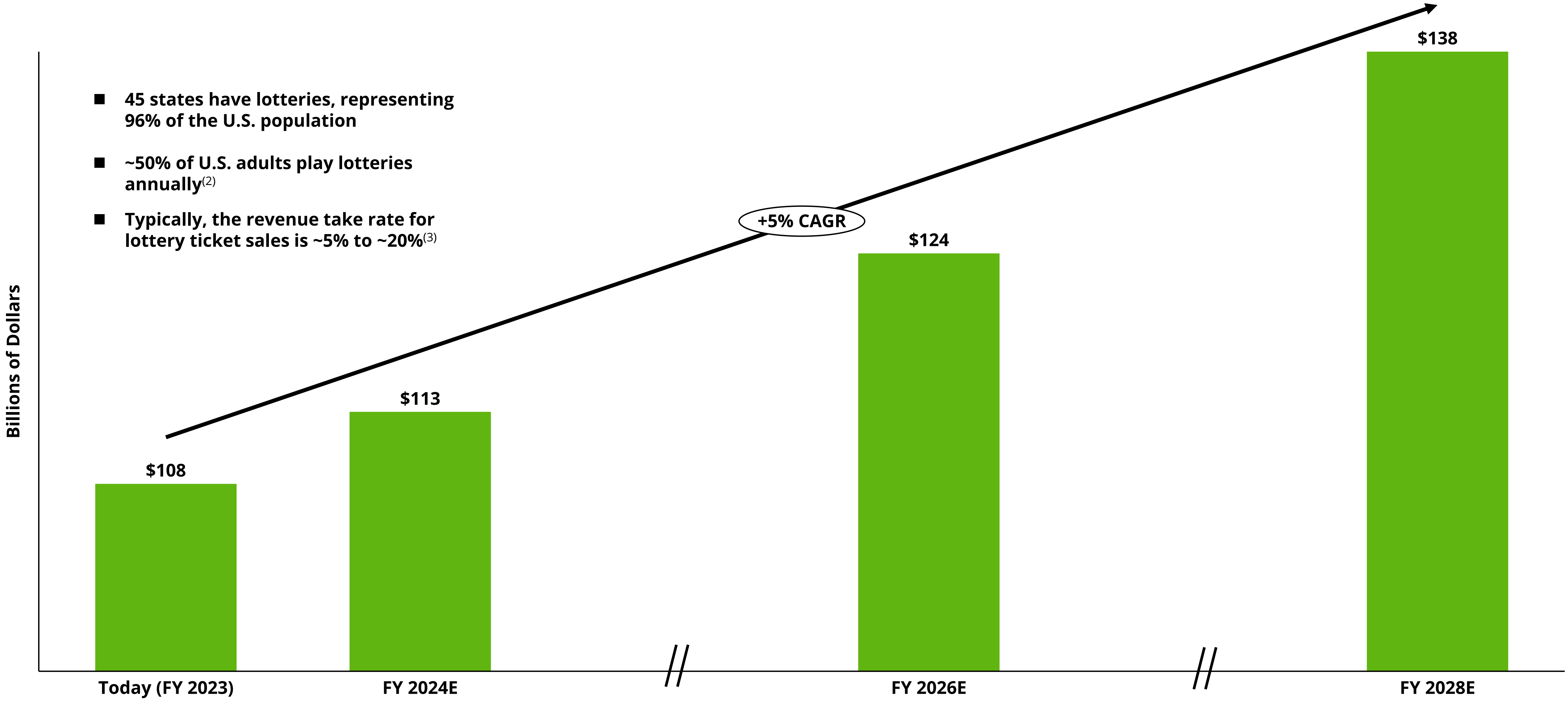
(5) Customer acquisition cost (CAC) is defined as external marketing spend divided by new customers. DraftKings includes all external marketing spend allocated to OSB and iGaming, including national spending, team and league deals, and product-agnostic spending, and divides by new OSB and iGaming customers, without crediting for customers who were previously acquired to DFS.

(6) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, net income (loss), please refer to the appendix of this presentation.

The U.S. lottery industry is massive with $100B+ in annual ticket sales and is expected to grow ~5% YoY(1)

U.S. Lottery Sales

- **45 states have lotteries, representing 96% of the U.S. population**
- **~50% of U.S. adults play lotteries annually(2)**
- **Typically, the revenue take rate for lottery ticket sales is ~5% to ~20%(3)**



(1) H2 Gambling Capital estimates U.S. lottery gross ticket sales, including draw-based, instant, and other lottery games.
(2) Gallup Analytics estimated that 49% of U.S. adults bought a state lottery ticket in 2016, which was higher than its estimate of 46% in 2007.
(3) Typically, lottery retailers generate revenues of 5% to 7% from state commission, and digital lottery services generate 15% to 20% as they charge a “convenience fee” on funding or lottery ticket purchase in addition to commission earned. Notably, states keep 30% to 40% of lottery ticket sales on average.

Jackpocket is the leading[1] U.S. lottery app

Jackpocket Overview

Drivers of Differentiation

- Digital offering with a seamless customer experience
- Automated back-end operations within a complex regulatory environment, supported by a portfolio of patents and internally developed software
- Scale that drives efficient product investments due to the large customer monetization opportunity
- Collaborative relationships with lotteries, regulators, and retailers

Results

- $78M revenue in FY 2023[2] with a gross margin similar to DFS
- Operates in states representing 35% of the U.S. population with plans to expand into more states over time
- Recognizable and trusted brand (most downloaded lottery app[1])
- 1.8M total paying customers and 0.7M monthly unique payers in FY 2023

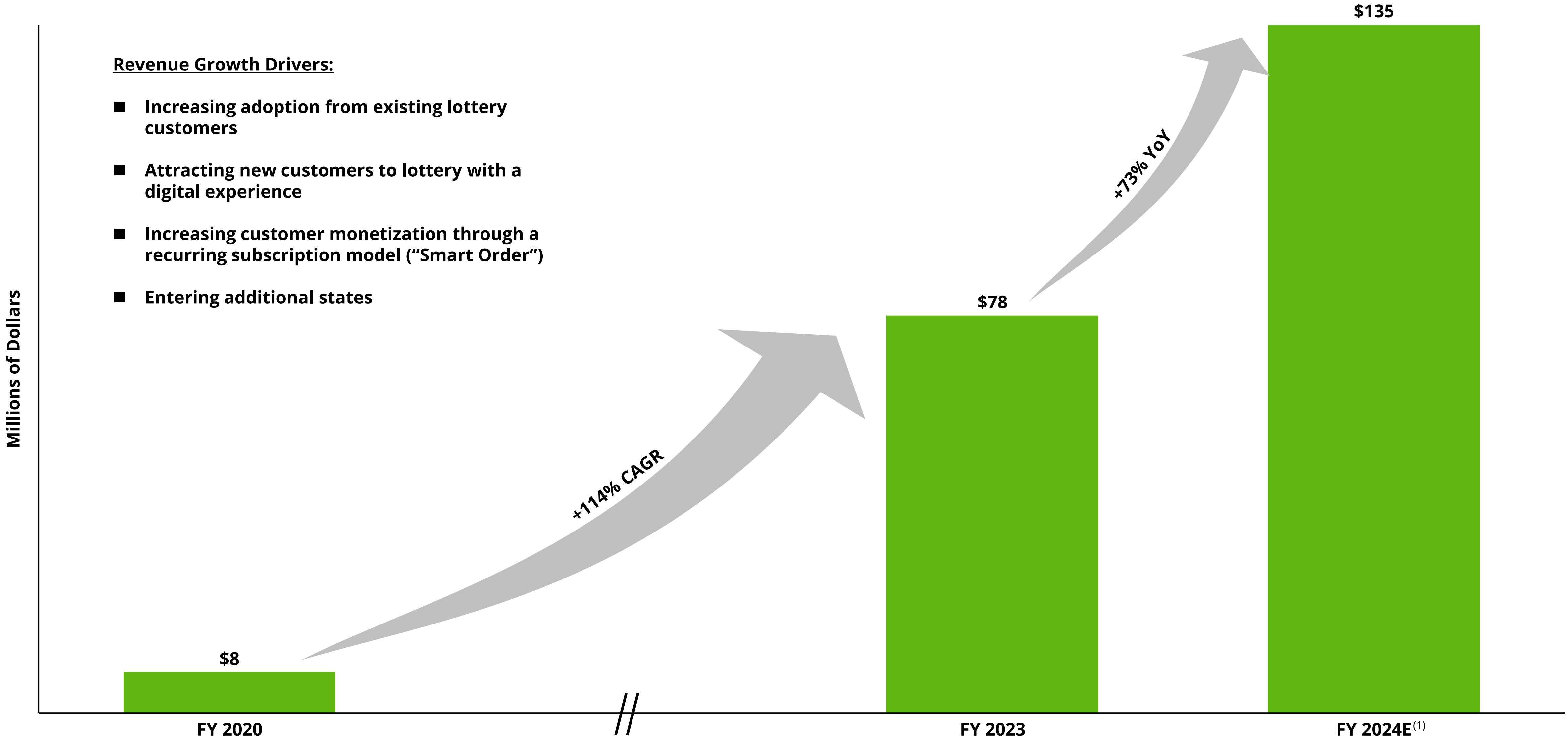
(1) Jackpocket was downloaded 9x more than its closest competitor in the digital lottery courier category in FY 2023, according to Sensor Tower estimates.
(2) Jackpocket's FY 2023 financial results are unaudited.

Jackpocket's revenue is expected to grow 70%+ YoY in FY 2024E, ~15x faster than the U.S. lottery industry

Jackpocket Revenue

Revenue Growth Drivers:

- **Increasing adoption from existing lottery customers**
- **Attracting new customers to lottery with a digital experience**
- **Increasing customer monetization through a recurring subscription model ("Smart Order")**
- **Entering additional states**

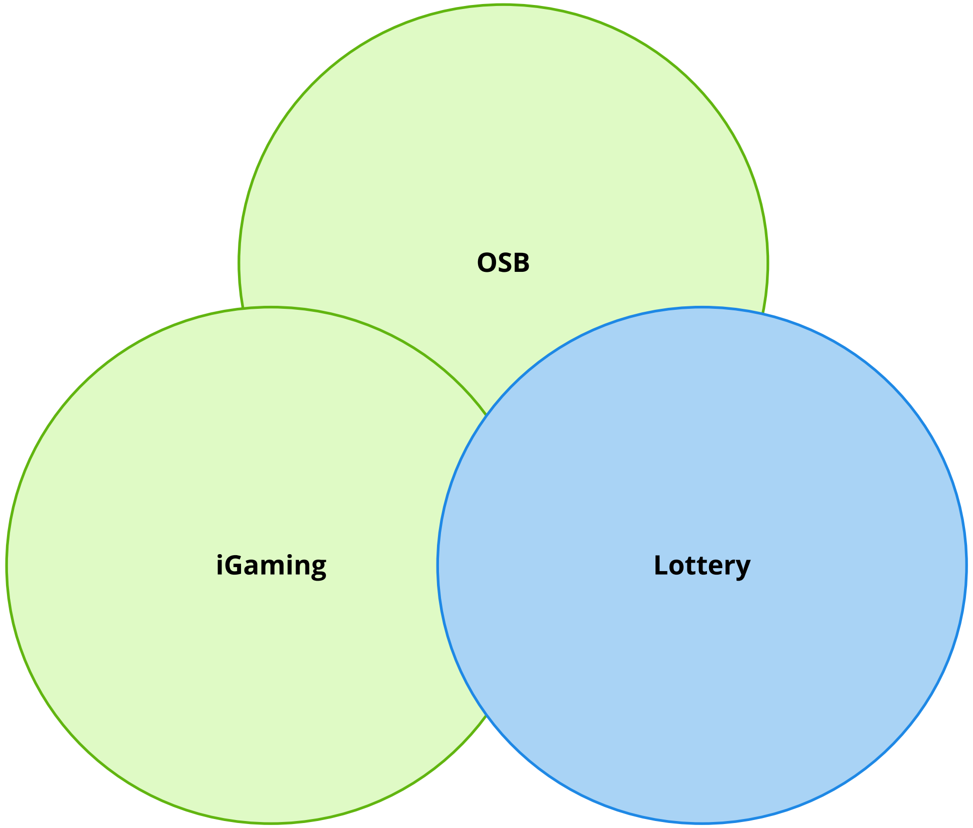


(1) Represents estimated FY 2024 revenue for Jackpocket by DraftKings management. Figure includes $0 in revenue synergies.

Cross-selling product offerings drives higher average customer LTV(1)

Opportunity to Increase LTV

- **Diligence revealed significant customer overlap between Jackpocket and DraftKings, implying a substantial cross-sell opportunity between product offerings**



Overlapping customers(2) have 50%+ higher LTV

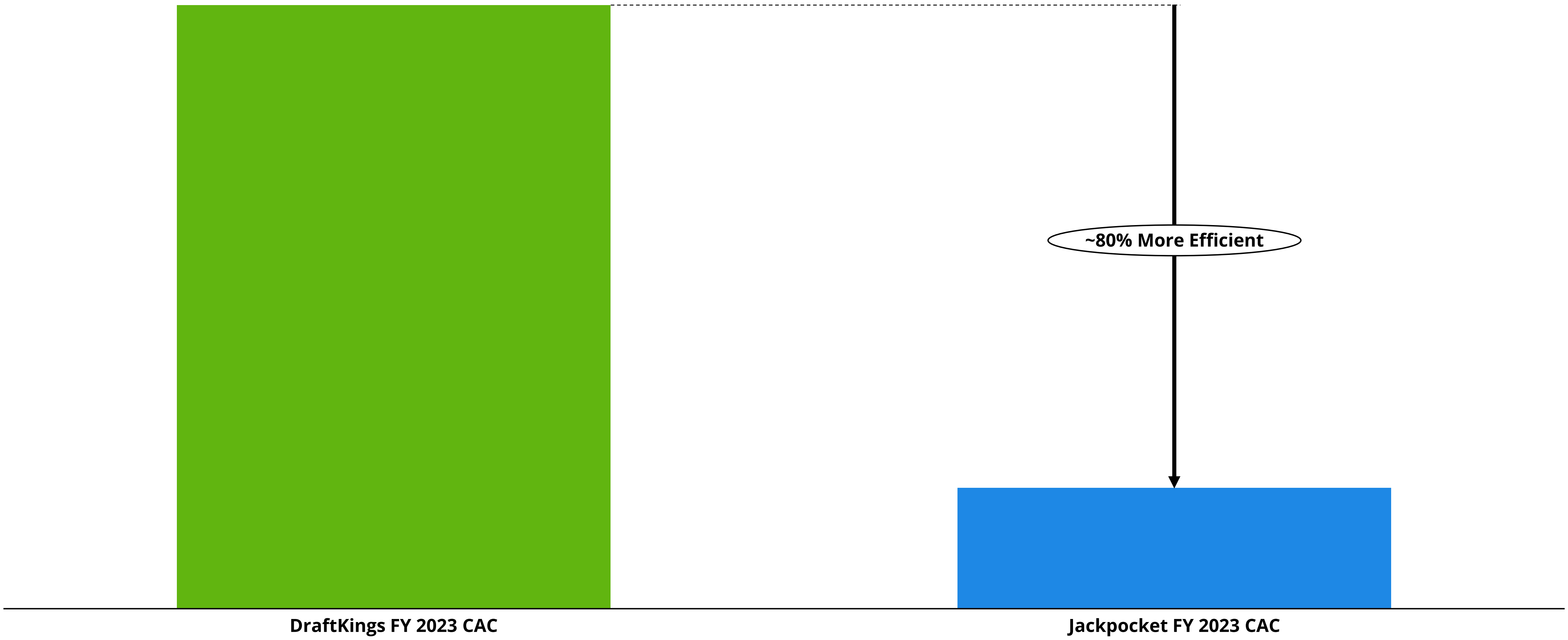
Overlapping customers on average generated 53% higher OSB and iGaming GGR in FY 2023 compared to DraftKings customers that did not engage with Jackpocket

(1) "LTV" represents customer lifetime value. DraftKings defines customer lifetime value as the gross profit a customer generates over time divided by a discount rate (cost of capital).
(2) Overlapping customers is defined as customers who have had a paid activity on both Jackpocket and DraftKings OSB and/or iGaming in FY 2023, while non-overlapping customers are defined as DraftKings OSB and/or iGaming customers who have not engaged with Jackpocket.

Jackpocket's low CAC(1) will drive more efficient marketing for DraftKings

Opportunity to Lower CAC

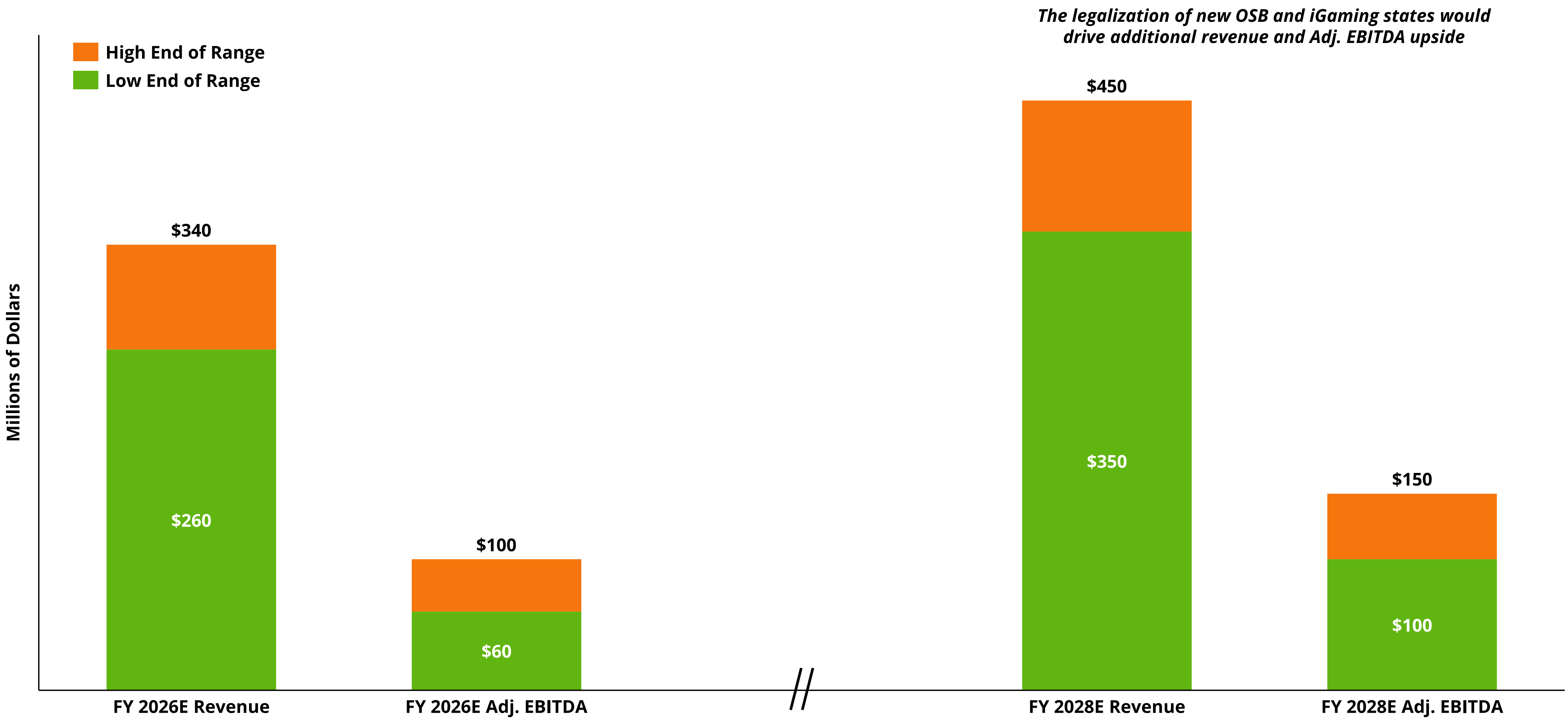
- **Jackpocket acquired ~660k new customers in FY 2023, at a CAC ~80% lower than DraftKings' CAC**
- **Jackpocket's customer database is 6.0M and continuing to grow**



(1) Both DraftKings and Jackpocket define customer acquisition cost (CAC) as external marketing spend divided by new customers. DraftKings includes all external marketing spend allocated to OSB and iGaming, including national spending, team and league deals, and product-agnostic spending, and divides by new OSB and iGaming customers, without crediting for customers who were previously acquired to DFS.

We expect the acquisition of Jackpocket to add Adj. EBITDA[1] of $60M to $100M in FY 2026 and $100M to $150M in FY 2028

Expected Incremental Revenue and Adj. EBITDA due to Jackpocket Acquisition in Existing OSB and iGaming States Alone[2]

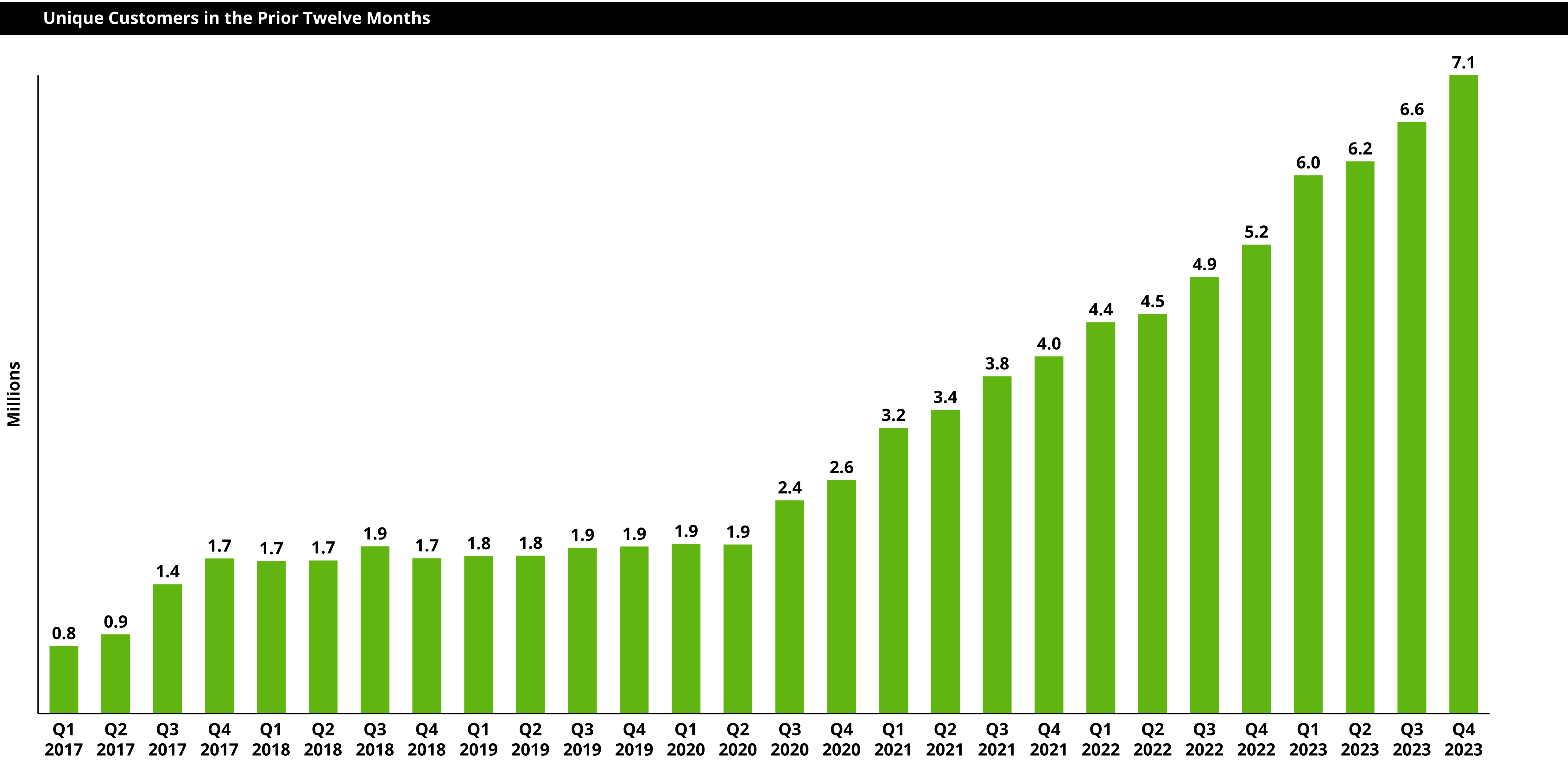


(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, net income (loss), please refer to the appendix of this presentation.

(2) Expected incremental revenue and Adj. EBITDA due to the Jackpocket acquisition assumes lottery is offered in approximately 65% of the U.S. population at the end of 2026 and in 2028, compared to Jackpocket's current 35% footprint. The incremental revenue and Adj. EBITDA assumes OSB and iGaming states remain consistent with 2024 guidance provided on February 15, 2024. New Jersey, West Virginia, Indiana, Pennsylvania, New Hampshire, Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, Connecticut, Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, Maine, Vermont, Puerto Rico and North Carolina are included. Puerto Rico and North Carolina are pending launch, subject to licensure and regulatory approvals.

APPENDIX

The number of unique customers on our platform is rising



Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA, Adjusted EBITDA Flow-through Percentage, and Free Cash Flow, which are non-GAAP financial measures that DraftKings uses to supplement its results presented in accordance with GAAP. The Company believes Adjusted EBITDA, Adjusted EBITDA Flow-through Percentage, and Free Cash Flow are useful in evaluating its operating performance, similar to measures reported by its publicly-listed U.S. competitors, and regularly used by security analysts, institutional investors and other interested parties in analyzing operating performance and prospects. Adjusted EBITDA, Adjusted EBITDA Flow-through Percentage, and Free Cash Flow are not intended to be substitutes for any GAAP financial measures, and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

We define and calculate Adjusted EBITDA as net loss before the impact of interest income or expense (net), income tax provision or benefit, and depreciation and amortization, and further adjusted for the following items: stock-based compensation; transaction-related costs; litigation, settlement and related costs; advocacy and other related legal expenses; gain or loss on remeasurement of warrant liabilities; and other non-recurring and non-operating costs or income. We define and calculate Adjusted EBITDA Flow-through Percentage as the year-over-year change in Adjusted EBITDA divided by the year-over-year change in revenue. We define and calculate Free Cash Flow as Adjusted EBITDA less investments into property and equipment and capitalized software, adjusted for sources or uses of cash from changes in net working capital and sources or uses of cash from net cash interest, and less corporate cash taxes paid.

DraftKings includes non-GAAP financial measures because they are used by management to evaluate the Company's core operating performance and trends and to make strategic decisions regarding the allocation of capital and new investments. Adjusted EBITDA, Adjusted EBITDA Flow-through Percentage, and Free Cash Flow exclude certain expenses that are required in accordance with GAAP because they are non-recurring items (for example, in the case of transaction-related costs and advocacy and other related legal expenses), non-cash expenditures (for example, in the case of amortization of acquired intangible assets, depreciation and amortization, remeasurement of warrant liabilities and stock-based compensation), or non-operating items which are not related to the Company's underlying business performance (for example, in the case of interest income and expense and litigation, settlement and related costs).

Information reconciling forward-looking Adjusted EBITDA guidance for fiscal years 2024, 2026 and 2028 to its most directly comparable GAAP financial measure, net income (loss), is unavailable to DraftKings without unreasonable effort due to, among other things, certain items required for such reconciliations being outside of DraftKings' control and/or not being able to be reasonably predicted. Information reconciling forward-looking Free Cash Flow and Adjusted EBITDA Flow-through Percentage to their most directly comparable GAAP financial measures, is unavailable to DraftKings without unreasonable efforts due to, among other things, certain items required for such reconciliations being outside of DraftKings' control and/or not being able to be reasonably predicted. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flow, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the Company without unreasonable effort. DraftKings provides a range for its Adjusted EBITDA, Free Cash Flow and Adjusted EBITDA Flow-through Percentage forecasts that it believes will be achieved; however, the Company cannot provide any assurance that it can predict all of the components of these calculations. DraftKings provides forecasts for Adjusted EBITDA, Free Cash Flow and Adjusted EBITDA Flow-through Percentage because it believes that these measures, when viewed with DraftKings' results calculated in accordance with GAAP, provides useful information for the reasons noted above. However, these measures are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered alternatives to net income (loss) or cash flow from operating activities or as an indicator of operating performance or liquidity.

Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses

GAAP to Non-GAAP Operating Expense Reconciliation
$ Millions

		31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
GAAP Operating Expenses									
Cost of Revenue		$717	$543	$510	$522	$485	$373	$313	$313
Sales and Marketing		$291	$313	$207	$389	$345	$322	$198	$321
General and Administrative		$179	$131	$136	$160	$173	$186	$188	$217
Product and Technology		$88	$89	$90	$88	$83	$76	$77	$81
Total GAAP Operating Expenses		**$1,275**	**$1,077**	**$944**	**$1,159**	**$1,087**	**$957**	**$775**	**$933**
Non-GAAP Operating Expense Adjustments									
Cost of Revenue	(a)	($1)	($1)	$0	($1)	($1)	($1)	($1)	($1)
	(b)	($29)	($29)	($29)	($30)	($30)	($30)	($27)	($19)
	(d)	($20)	($16)	($14)	($14)	($14)	($12)	($10)	($9)
Sales and Marketing	(a)	($10)	($8)	($8)	($11)	($17)	($10)	($12)	($14)
	(d)	($1)	($1)	($1)	($1)	($1)	($1)	($1)	($1)
General and Administrative	(a)	($72)	($47)	($56)	($78)	($92)	($92)	($98)	($144)
	(c)	($2)	($1)	$0	$0	($2)	($1)	($11)	($4)
	(d)	($2)	($2)	($2)	($2)	($2)	($2)	($2)	($2)
	(e)	($24)	($4)	($4)	($3)	($1)	($1)	($2)	($2)
	(f)	$0	$0	$0	$0	$0	($17)	$0	($1)
Product and Technology	(a)	($31)	($23)	($25)	($28)	($20)	($23)	($24)	($28)
	(d)	($2)	($2)	($2)	($2)	($2)	($1)	($3)	($2)
Total Non-GAAP Operating Expense Adjustments		**($195)**	**($133)**	**($142)**	**($168)**	**($182)**	**($191)**	**($191)**	**($226)**
Adjusted Operating Expenses									
Cost of Revenue		$666	$498	$467	$477	$440	$330	$275	$284
Sales and Marketing		$280	$305	$199	$378	$327	$311	$185	$307
General and Administrative		$79	$77	$74	$78	$77	$74	$75	$64
Product and Technology		$55	$64	$63	$58	$61	$52	$50	$52
Total Adjusted Operating Expenses		**$1,080**	**$943**	**$802**	**$991**	**$905**	**$766**	**$584**	**$707**

(a) Stock-based compensation expense

(b) Amortization of acquired intangible assets

(c) Transaction expenses

(d) Depreciation & amortization

(e) Litigation

(f) Other

Totals may not sum due to rounding.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

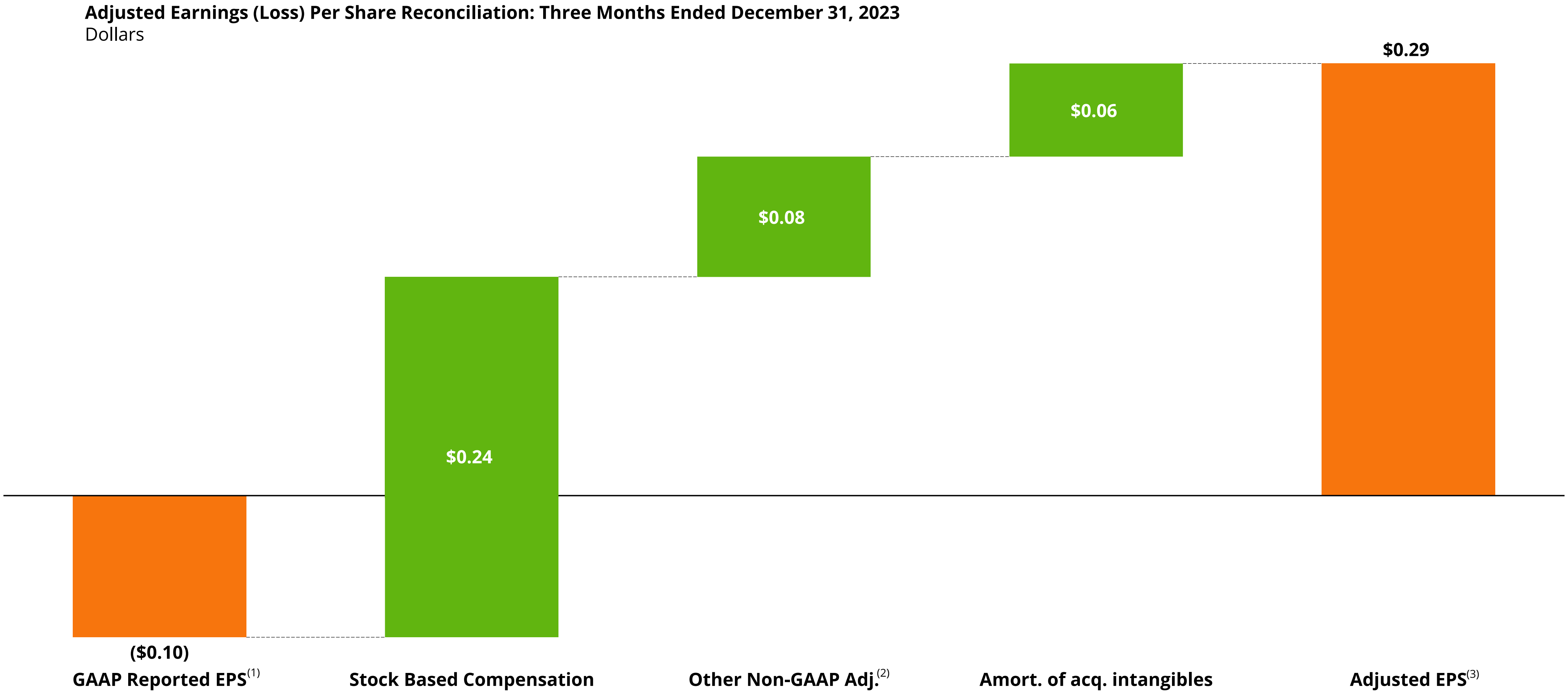
Net Income (Loss) to Non-GAAP Adjusted EBITDA Reconciliation
$ Thousands

- **Adjusted EBITDA**
  - We define and calculate Adjusted EBITDA as Net Income (Loss) before the impact of interest income or expense (net), income tax provision or benefit, and depreciation and amortization, and further adjusted for the following items: stock-based compensation; transaction-related costs; litigation, settlement and related costs; advocacy and other related legal expenses; gain or loss on remeasurement of warrant liabilities; and other non-recurring and non-operating costs or income; as described in the reconciliation.

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	$ **1,230,857**	$ **855,133**	$ **3,665,393**	$ **2,240,461**
Cost of revenue	716,658	485,435	2,292,175	1,484,273
Sales and marketing	290,775	345,282	1,200,718	1,185,977
Product and technology	88,157	83,394	355,156	318,247
General and administrative	179,076	173,244	606,569	763,720
Loss from operations	**(43,809)**	**(232,222)**	**(789,225)**	**(1,511,756)**
Other income (expense):				
Interest income	18,792	10,992	58,418	21,353
Interest expense	(688)	(668)	(2,679)	(2,651)
(Loss) gain on remeasurement of warrant liabilities	(12,716)	9,197	(57,543)	29,396
Other (loss) gain, net	929	(19,866)	(224)	20,700
Loss before income tax provision (benefit) and loss from equity method investment	**(37,492)**	**(232,567)**	**(791,253)**	**(1,442,958)**
Income tax (benefit) provision	6,860	9,714	10,170	(67,866)
Loss (income) from equity method investment	269	416	719	2,895
Net loss attributable to common stockholders	$ **(44,621)**	$ **(242,697)**	$ **(802,142)**	$ **(1,377,987)**
Adjusted for:				
Depreciation and amortization(1)	55,198	48,623	201,920	169,252
Interest (income) expense, net	(18,104)	(10,324)	(55,739)	(18,702)
Income tax (benefit) provision	6,860	9,714	10,170	(67,866)
Stock-based compensation(2)	113,517	130,161	398,463	578,799
Transaction-related costs(3)	1,954	2,285	3,060	17,315
Litigation, settlement and related costs(4)	23,910	1,224	34,500	7,010
Advocacy and other related legal expenses(5)	-	-	-	16,558
Loss (gain) on remeasurement of warrant liabilities	12,716	(9,197)	57,543	(29,396)
Other non-recurring and non-operating (income) costs(6)	(412)	20,284	1,190	(16,764)
Adjusted EBITDA	$ **151,018**	$ **(49,927)**	$ **(151,035)**	$ **(721,781)**

(1) The amounts include the amortization of acquired intangible assets of $29.3 million and $30.0 million for the three months ended December 31, 2023 and 2022, respectively, and $117.3 million and $106.1 million for the years ended 2023 and 2022, respectively.
(2) Reflects stock-based compensation expenses resulting from the issuance of awards under incentive plans.
(3) Includes capital markets advisory, consulting, accounting and legal expenses related to evaluation, negotiation and integration costs incurred in connection with proposed, pending or completed transactions and offerings, including costs related to the GNOG Transaction.
(4) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to DraftKings' core business operations.
(5) Reflects non-recurring and non-ordinary course costs relating to advocacy efforts and other legal expenses in jurisdictions where DraftKings does not operate certain product offerings and is actively seeking licensure, or similar approval, for those product offerings. This adjustment excludes (i) costs relating to advocacy efforts and other legal expenses in jurisdictions where DraftKings does not operate that are incurred in the ordinary course of business and (ii) costs relating to advocacy efforts and other legal expenses incurred in jurisdictions where related legislation has been passed and DraftKings currently operates. For 2022, those costs primarily related to our support of Proposition 27 in California.
(6) Primarily includes the change in fair value of certain financial assets, as well as the Company's equity method share of the investee's losses and other costs relating to non-recurring and non-operating items.

Non-GAAP Adjusted Earnings (Loss) Per Share Reconciliation



Note: Weighted average number of shares used to calculate Adjusted EPS for Q4 2023 was 468mm; totals may not sum due to rounding.

(1) Refers to DraftKings' loss per share attributable to common stockholders calculated and reported in accordance with GAAP.

(2) Includes adjustments for (i) loss on remeasurement of warrant liabilities and (ii) litigation, settlement and related costs.

(3) Adjusted Earnings Per Share is a non-GAAP financial measure.

DraftKings Share Count Detail

Share Count as of December 31, 2023
Thousands

Common Shares Outstanding (31-December-23)	**472,697**
Vested Stock Options @ TSM[1]	18,718
Memo: Vested Stock Options	*21,708*
Diluted Shares Outstanding (With Vested Stock Options @ TSM)	**491,415**
DEAC Private Placement Warrants[2]	1,094
GNOG Private Placement Warrants[3]	606
Fully Diluted Shares Outstanding	**493,115**

Table is not reflective of GAAP diluted share count given GAAP diluted share count includes unvested restricted stock units and out-of-the-money shares underlying DraftKings' convertible notes.
Table does not include shares of Class B common stock, which have no economic or participating rights.
(1) Based on Treasury Stock Method ("TSM"); assumes DraftKings Class A share price as of 14-February-2023 and strike price of $7.10 per stock option.
(2) Based on TSM; assumes DraftKings Class A share price as of 14-February-2023 and strike price of $11.50 per warrant.
(3) Based on TSM; assumes DraftKings Class A share price as of 14-February-2023 and strike price of $31.50 per warrant.

DraftKings KPI Comparison

Key Performance Indicators
Millions; Dollars

- **Monthly Unique Payers ("MUPs")**
  - We define MUPs as the number of unique paid users per month who had one or more real-money, paid engagements across one or more of our Sportsbook, iGaming, DFS, or other consumer product offerings via our technology. For reported periods longer than one month, we average the MUPs for the months in the reported period.
  - MUPs is a key indicator of the scale of our online gaming user base and awareness of our brand.
  - We believe that year-over-year growth in MUPs is generally indicative of the long-term revenue growth potential of our online gaming product offerings, although MUPs in individual periods may be less indicative of our longer-term expectations.
- **Average Revenue per MUP ("ARPMUP")**
  - We define and calculate ARPMUP as the average monthly revenue, excluding revenue from gaming software services, for a reporting period, divided by the average number of MUPs for the same period.
  - ARPMUP represents our ability to drive usage and monetization of our product offerings.
  - We use ARPMUP to analyze comparative revenue growth and measure customer monetization and engagement trends.

	Three months ended December 31,	
	2023	**2022**
Average Monthly Unique Payers ("MUPs") **(in millions)**	3.5	2.6
Average Revenue per MUP ("ARPMUP") **(in whole dollars)**	$116	$109