Q1 2023 EARNINGS PRESENTATION

May 4, 2023

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. ("DraftKings", the "Company", "we", "us" and "our") and its industry that involve substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this presentation, including statements regarding guidance, our 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," "potential," "predict," "project," "propose," "should," "target," "will," or "would" or the negative thereof or other similar terms or expressions, or by discussions of vision, strategy or outlook. We caution you that the foregoing may not include all of the forward-looking statements made in this presentation.

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In addition, the forward-looking statements contained in this presentation relate only to events as of the date on which the statements are made and are based on information available to us as of the date of this presentation. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions or investments.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Earnings Per Share and Contribution Profit, 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 Gross Margin as Adjusted Gross Profit (which we define and calculate as Gross Profit before the impact of amortization of acquired intangible assets; depreciation and amortization; and stock-based compensation) divided by net revenue. We define and calculate Adjusted Earnings Per Share as basic and diluted loss per share attributable to common stockholders before the impact of amortization of acquired intangible assets; 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 Contribution Profit as Adjusted Gross Profit less external marketing expense. Reconciliations of Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin and Adjusted Earnings Per Share to their most directly comparable financial measures calculated in accordance with GAAP are provided in the Appendix of this presentation.

Q1 and Current Business Highlights

1. **Q1 results exceeded expectations; revenue of $770M increased 84% YoY and Adjusted EBITDA(1) of ($222M) improved by $68M YoY**

2. **Raising FY 2023 revenue guidance midpoint by 8% to $3,185M and FY 2023 Adjusted EBITDA(1) guidance midpoint by $85M to ($315M)**

3. **Expect Q2 2023 Adjusted EBITDA(1) to be approximately break-even and expect Q4 2023 Adjusted EBITDA(1) to be nearly $150M**

4. **Launched mobile sports betting in Ohio and Massachusetts during Q1; have acquired 7% of adult population in Ohio and 6% of adult population in Massachusetts to-date**

5. **$1.1B of cash as of 3/31/23 and expect to have more than $800M on 12/31/23; continue to expect positive Adjusted EBITDA(1) 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.

Raising Midpoints of FY2023 Revenue Guidance by 8% and FY2023 Adj. EBITDA[1] Guidance by $85M

Updated FY 2023 Guidance vs. Prior FY 2023 Guidance
$ Millions

	February 16th FY 2023 Guidance[2]	Higher OSB Hold due to Structural Improvement	Higher OSB Hold due to Favorable Q1 Sport Outcomes	Stronger Customer Retention & Engagement (Including Promotions)	Expense Recognition Timing[3]	May 4th FY 2023 Guidance[4]
Revenue	**$2,950**	$20	$20	$195	$0	**$3,185**
Adjusted EBITDA[1]	**($400)**	$15	$15	$80	($25)	**($315)**

(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 2023 guidance that DraftKings provided on February 16th, 2023.
(3) Due to improved visibility into projected costs for our enhanced loyalty program, we plan to accrue $25 million of expenses throughout 2023 that we had originally planned to expense in the first quarter of 2024.
(4) Reflects the midpoints of FY 2023 guidance that DraftKings provided on May 4th, 2023.

Driving Significant Growth in Contribution Profit[1] in our Most Mature State Vintages

Performance of State Vintages in Q1 2023
Percentage; Basis Points

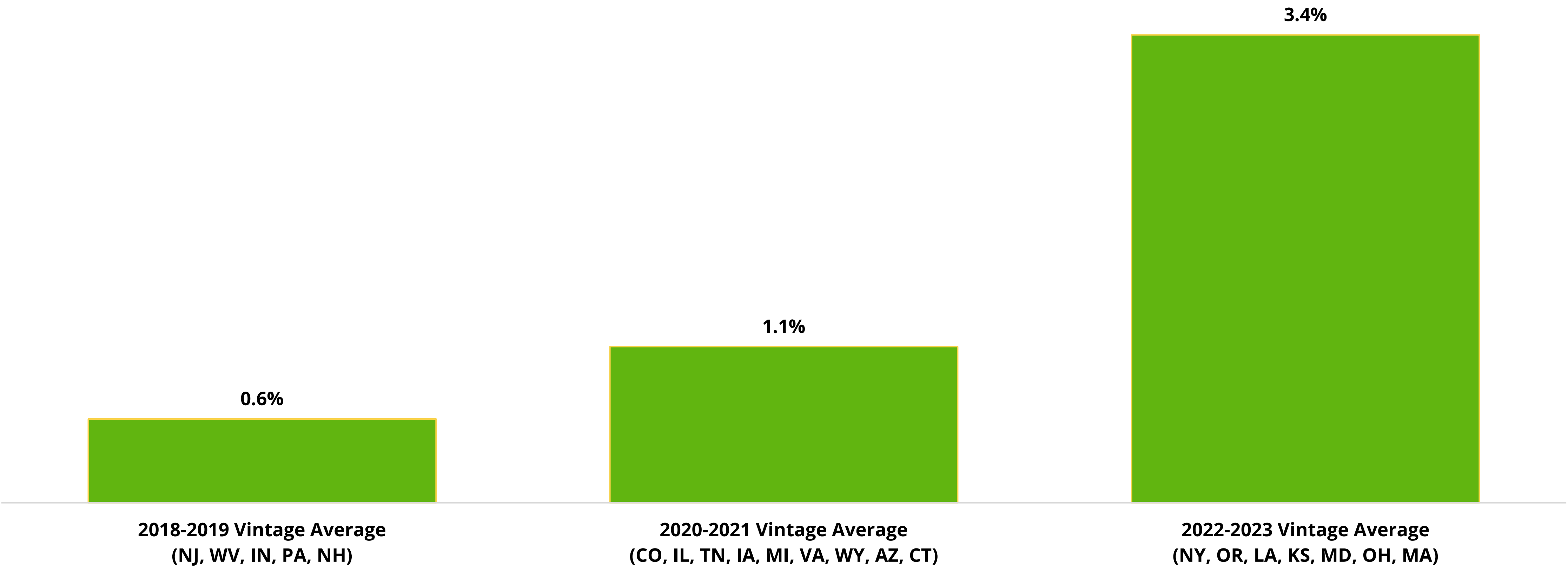
	YoY Revenue Growth	YoY Adjusted Gross Margin[4] Increase	YoY External Marketing Change
2018-2019 Vintage[2]	+80%	+1,300 bps	-20%
2020-2021 Vintage[3]	+89%	+1,200 bps	-10%

- For each of the two state vintages, **handle increased >25% YoY** and **unique customers increased >10% YoY**

(1) Contribution Profit is a non-GAAP financial measure that we define and calculate as Adjusted Gross Profit[5] less external marketing expense.
(2) 2018-2019 State Vintage includes OSB and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire.
(3) 2020-2021 State Vintage includes OSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut.
(4) Adjusted Gross Margin is a non-GAAP financial measure that we define and calculate as Adjusted Gross Profit [5] divided by net revenue. For a reconciliation of Adjusted Gross Margin to its most directly comparable financial measure calculated in accordance with GAAP, Gross Profit, please refer to the appendix of this presentation.
(5) Adjusted Gross Profit is a non-GAAP financial measure. For a reconciliation of Adjusted Gross Profit to its most directly comparable financial measure calculated in accordance with GAAP, Gross Profit, please refer to the appendix of this presentation.

Our Pace of Customer Acquisition has Accelerated in Recent State Launches

Average Percentage of Adult Population Acquired 30 Days After Launch[1]
Percentage



(1) Reflects the first 30 days in Iowa after online sports betting remote registration became available, and OSB launch dates for the DraftKings brand in other states.

APPENDIX

Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Earnings Per Share and Contribution Profit, which are non-GAAP financial measures that DraftKings uses to supplement its results presented in accordance with GAAP. The Company believes Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Earnings Per Share and Contribution Profit 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 Gross Profit, Adjusted Gross Margin, Adjusted Earnings Per Share and Contribution Profit 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 Adjusted Gross Margin as Adjusted Gross Profit (which we define as Gross Profit before the impact of amortization of acquired intangible assets; depreciation and amortization; and stock-based compensation) divided by net revenue. We define and calculate Adjusted Earnings Per Share as basic and diluted loss per share attributable to common stockholders before the impact of amortization of acquired intangible assets; 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 Contribution Profit as Adjusted Gross Profit less external marketing expense.

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 Gross Profit, Adjusted Gross Margin, Adjusted Earnings Per Share and Contribution Profit 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 fiscal year 2023 Adjusted EBITDA 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. 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 forecast that it believes will be achieved; however, the Company cannot provide any assurance that it can predict all of the components of the Adjusted EBITDA calculation. DraftKings provides a forecast for Adjusted EBITDA because it believes that Adjusted EBITDA, when viewed with DraftKings' results calculated in accordance with GAAP, provide useful information for the reasons noted above. However, Adjusted EBITDA is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered as an alternative 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-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
GAAP Operating Expenses						
Cost of Revenue		$522	$485	$373	$313	$313
Sales and Marketing		$389	$345	$322	$198	$321
General and Administrative		$160	$173	$186	$188	$217
Product and Technology		$88	$83	$76	$77	$81
Total GAAP Operating Expenses		**$1,159**	**$1,087**	**$957**	**$775**	**$933**
Non-GAAP Operating Expense Adjustments						
Cost of Revenue	(a)	($1)	($1)	($1)	($1)	($1)
	(b)	($30)	($30)	($30)	($27)	($19)
	(d)	($14)	($14)	($12)	($10)	($9)
Sales and Marketing	(a)	($11)	($17)	($10)	($12)	($14)
	(d)	($1)	($1)	($1)	($1)	($1)
General and Administrative	(a)	($78)	($92)	($92)	($98)	($144)
	(c)	$0	($2)	($1)	($11)	($4)
	(d)	($2)	($2)	($2)	($2)	($2)
	(e)	($3)	($1)	($1)	($2)	($2)
	(f)	$0	$0	($17)	$0	($1)
Product and Technology	(a)	($28)	($20)	($23)	($24)	($28)
	(d)	($2)	($2)	($1)	($3)	($2)
Total Adjustments		**($168)**	**($182)**	**($191)**	**($191)**	**($226)**
Adjusted Operating Expenses						
Cost of Revenue		$477	$440	$330	$275	$284
Sales and Marketing		$378	$327	$311	$185	$307
General and Administrative		$78	$77	$74	$75	$64
Product and Technology		$58	$61	$52	$50	$52
Total Adjusted Operating Expenses		**$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 Gross Profit to Adjusted Gross Profit and Adjusted Gross Margin

GAAP Gross Profit to Non-GAAP Adjusted Gross Profit and Adjusted Gross Margin Reconciliations
$ Millions

	Q1 2023	Q1 2022
Revenue	$770	$417
GAAP Gross Profit	$248	$104
Depreciation and Amortization	$14	$9
Amortization of Acquired Intangible Assets	$30	$19
Stock-based Compensation	$1	$1
Adjusted Gross Profit	**$293**	**$133**
Adjusted Gross Margin	**38%**	**32%**

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 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 March 31	
	2023	**2022**
Revenue	**$ 769,652**	**$ 417,205**
Cost of revenue	521,740	313,379
Sales and marketing	389,133	321,452
Product and technology	88,088	81,352
General and administrative	160,476	216,606
Loss from operations	**(389,785)**	**(515,584)**
Other income (expense):		
Interest income	11,795	801
Interest expense	(655)	(653)
Gain (loss) on remeasurement of warrant liabilities	(17,035)	12,681
Other income, net	19	37,882
Loss before income tax provision (benefit) and loss from equity method investment	**$ (395,661)**	**$ (464,873)**
Income tax provision (benefit)	1,368	469
(Gain) loss from equity method investment	119	2,351
Net loss attributable to common stockholders	**(397,148)**	**(467,693)**
Adjusted for:		
Depreciation and amortization(1)	48,213	32,225
Interest income, net	(11,140)	(148)
Income tax provision (benefit)	1,368	469
Stock-based compensation(2)	117,400	187,077
Transaction-related costs(3)	-	3,774
Litigation, settlement and related costs(4)	2,563	1,950
Advocacy and other related legal expenses(5)	-	-
Loss (gain) on remeasurement of warrant liabilities	17,035	(12,681)
Other non-recurring and non-operating (income) costs(6)	98	(34,482)
Adjusted EBITDA	**(221,611)**	**(289,509)**

(1) The amounts include the amortization of acquired intangible assets of $29.8 million and $19.2 million for the three months ended March 31, 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 pending or completed transactions and offerings, including costs relating to the DraftKings' acquisition of Golden Nugget Online Gaming, Inc. in 2022.
(4) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to our core business operations.
(5) Reflects non-recurring and non-ordinary course costs relating to advocacy efforts and other legal expenses in jurisdictions where we do not operate certain product offerings and are actively seeking licensure, or similar approval, for those product offerings. For the three months ended March 31, 2023 and 2022, we did not incur any such costs. This adjustment excludes (i) costs relating to advocacy efforts and other legal expenses in jurisdictions where we do 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 we currently operate.
(6) Primarily includes the change in fair value of certain financial assets, as well as our equity method share of the investee's losses and other costs relating to non-recurring and non-operating items.

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 Marketplace products 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 March 31,	
	2023	**2022**
Average Monthly Unique Payers ("MUPs") **(in millions)**	2.8	2.0
Average Revenue per MUP ("ARPMUP") **(in whole dollars)**	$92	$67

Non-GAAP Adjusted Earnings Per Share Reconciliation

Adjusted Earnings Per Share Reconciliation: Three Months Ended March 31, 2023
Dollars

Note: Weighted average number of shares used to calculate Adjusted EPS for Q1 2023 was 455mm; totals may not sum due to rounding.
(1) Refers to DraftKings' basic and diluted 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 of $0.04 per share and (ii) litigation, settlement and related costs of $0.01 per share (see Note (4) on Slide 11 of this presentation for additional information).
(3) Adjusted Earnings Per Share is a non-GAAP financial measure. For a reconciliation to its most directly comparable financial measure calculated in accordance with GAAP, basic and diluted loss per share attributable to common stockholders, please refer to the above reconciliation.

DraftKings Share Count Detail

Share Count as of March 31, 2023
Thousands

Common Shares Outstanding (31-March-23)	**461,634**
Vested Stock Options @ TSM[1]	17,284
Memo: Vested Stock Options	*25,842*
Diluted Shares Outstanding (With Vested Stock Options @ TSM)	**478,918**
DEAC Private Placement Warrants[2]	766
GNOG Private Placement Warrants[3]	-
Fully Diluted Shares Outstanding	**479,684**

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 3-May-2023 and strike price of $5.19 per stock option.
(2) Based on TSM; assumes DraftKings Class A share price as of 3-May-2023 and strike price of $11.50 per warrant.
(3) Based on TSM; assumes DraftKings Class A share price as of 3-May-2023. Strike price of $31.50 per warrant is above the current share price of DraftKings Class A common stock, so the dilutive effect is 0.