



**DRAFTKINGS**

# Analyst Day Presentation

March 2020

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## **Important Information About the Business Combination and Where to Find It**

In connection with the proposed business combination, DEAC NV Merger Corp., a subsidiary of DEAC and the going-forward public company to be renamed DraftKings Inc. at closing ("New DraftKings" or "New DK"), has filed a registration statement on Form S-4 (the "Registration Statement") with the U.S. Securities and Exchange Commission (the "SEC"), which includes a proxy statement/prospectus, and certain other related documents, to be used at the meeting of DEAC stockholders to approve the proposed business combination. This material is not a substitute for the definitive proxy statement/prospectus regarding the proposed business combination. Investors and security holders of DEAC are urged to read the proxy statement/prospectus, any amendments thereto and other relevant documents that are filed with the SEC carefully and in their entirety because they contain important information about DraftKings, SBT, DEAC and the proposed business combination. The definitive proxy statement/prospectus, when available, will be mailed to stockholders of DEAC as of a record date to be established for voting on the proposed business combination. Investors and security holders are able to obtain copies of the Registration Statement and other documents containing important information about each of the companies once such documents are filed with the SEC, without charge, at the SEC's web site at [www.sec.gov](http://www.sec.gov), or by directing a request to: Diamond Eagle Acquisition Corp., 2121 Avenue of the Stars, Suite 2300, Los Angeles, California, Attention: Eli Baker, President, Chief Financial Officer and Secretary, (310) 209-7280.

## **Participants in the Solicitation**

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## Forward Looking Statements and Investment Considerations

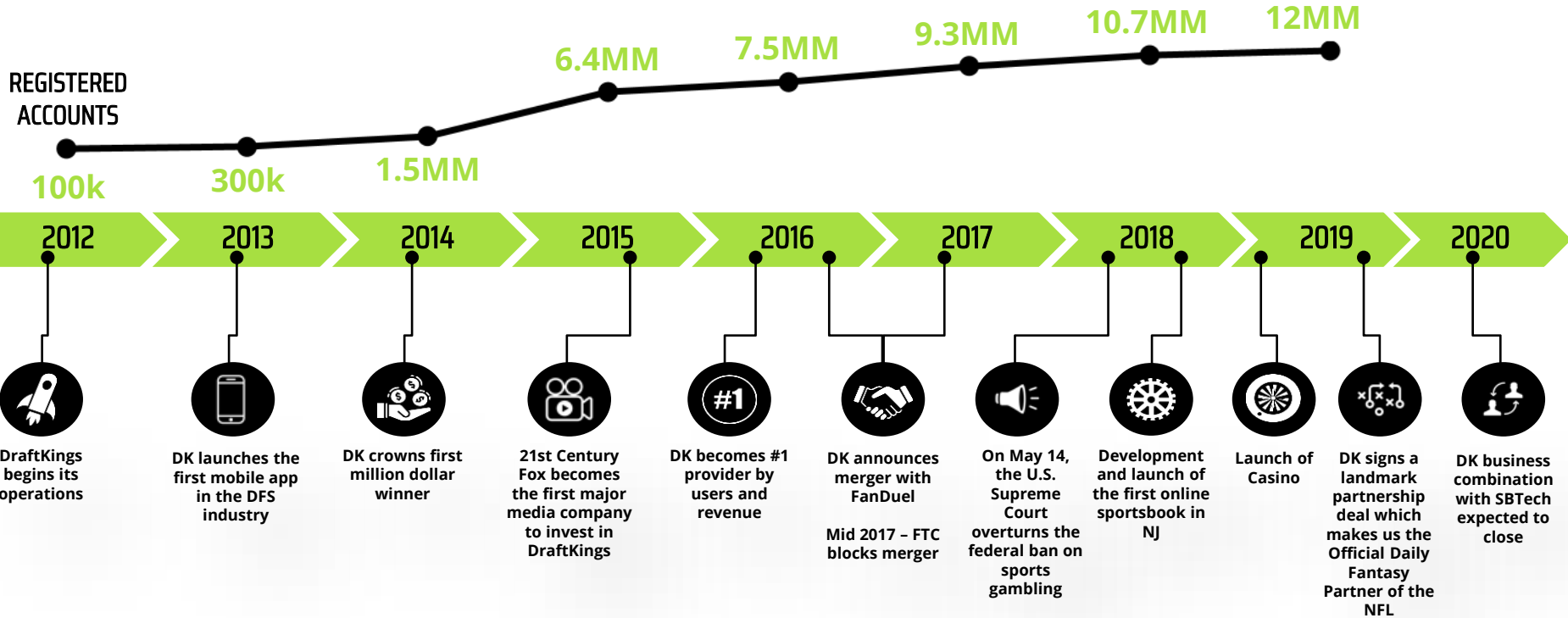
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**DRAFTKINGS**

# Introduction & Today's Agenda

# How We've Evolved: Eight Years of Growth



Source: Registered Accounts from Internal DraftKings Analytics, Year End Numbers, Rounded to Nearest 50k (2012-2019)

# Where We Are Today: DraftKings and SBTech



LEADER IN DAILY FANTASY  
SPORTS AND WILL BE ONLY  
VERTICALLY INTEGRATED  
ONLINE SPORTSBOOK IN U.S.\*

On a Combined Basis:

#1

DAILY FANTASY  
SPORTS PLATFORM

7

STATES  
WITH MOBILE  
SPORTSBOOK

12

OFFICES  
WORLDWIDE

\$430M+

IN TOTAL  
REVENUE <sup>(1)</sup>

26

COUNTRIES  
OPERATIONAL

2.1K+

EMPLOYEES

# Today's Agenda Will Dive Into The Following Areas

<p><b>1</b> Massive Global Sports Betting and iGaming Opportunity</p>	<p><b>\$70BN+</b> Global Sportsbook TAM<sup>(1)</sup></p>	<p><b>~\$40BN</b> Expected U.S. OSB and iGaming TAM<sup>(2)</sup></p>
<p><b>2</b> Premier Brand in Digital Sports Entertainment and Leader in the U.S. Market</p>	<p><b>#1</b> Rated DFS and Sportsbook Platform<sup>(3)</sup></p>	<p><b>7 States</b> with live New DK OSB<sup>(4)</sup></p>
<p><b>3</b> DraftKings and SBTech Together Will Create a Global, Vertically-Integrated Powerhouse*</p>	<p><b>22</b> U.S. and International Licenses</p>	<p><b>\$100MM+</b> Cost Synergies</p>
<p><b>4</b> Attractive Economic Profile Positioned for Long-Term Profitability</p>	<p><b>~38%</b> State-Level OSB Contribution Margin at Maturity</p>	<p>Path to <b>\$1BN+</b> in EBITDA<sup>(5)</sup></p>
<p><b>5</b> Vertically Integrated, Sports Betting and iGaming Company Well Capitalized for the Future</p>	<p><b>Public Currency</b> <b>+</b></p>	<p><b>\$500MM+</b> Cash Infusion<sup>(6)</sup></p>

Source: H2 Gambling Capital Global All Product Summary Report, June 2019.  
 (1) "TAM" stands for total addressable market and is measured in gross gaming revenue.  
 (2) "OSB" stands for online sportsbook.  
 (3) "DFS" stands for daily fantasy sports.

(4) Live New DK OSB states include IN, NH, NJ, OR, PA, IA and WV.  
 (5) See page 44 for detailed assumptions.  
 (6) Assumes no redemptions from DEAC's trust account.

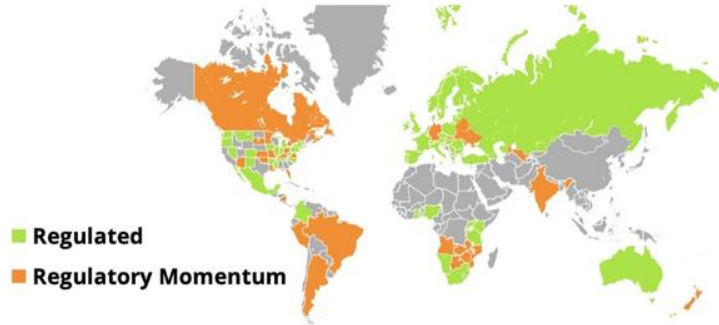
\*Upon closing of business combination

# The Opportunity

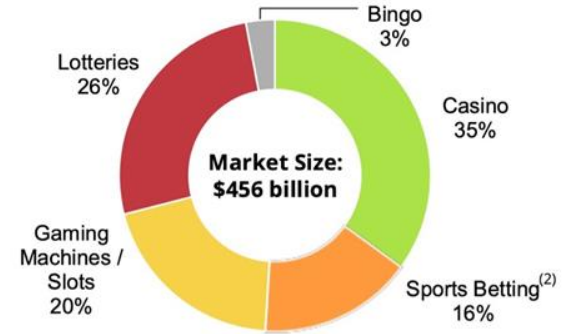


# Massive Global Market Opportunity

## GLOBAL MOVEMENT TOWARDS REGULATION



## GLOBAL GAMING MARKET GGR<sup>(1)</sup> (2019E)



## ONLINE / MOBILE'S GROWING SHARE OF GLOBAL GGR

(\$ in billions)

■ Brick & Mortar ■ Online / Mobile

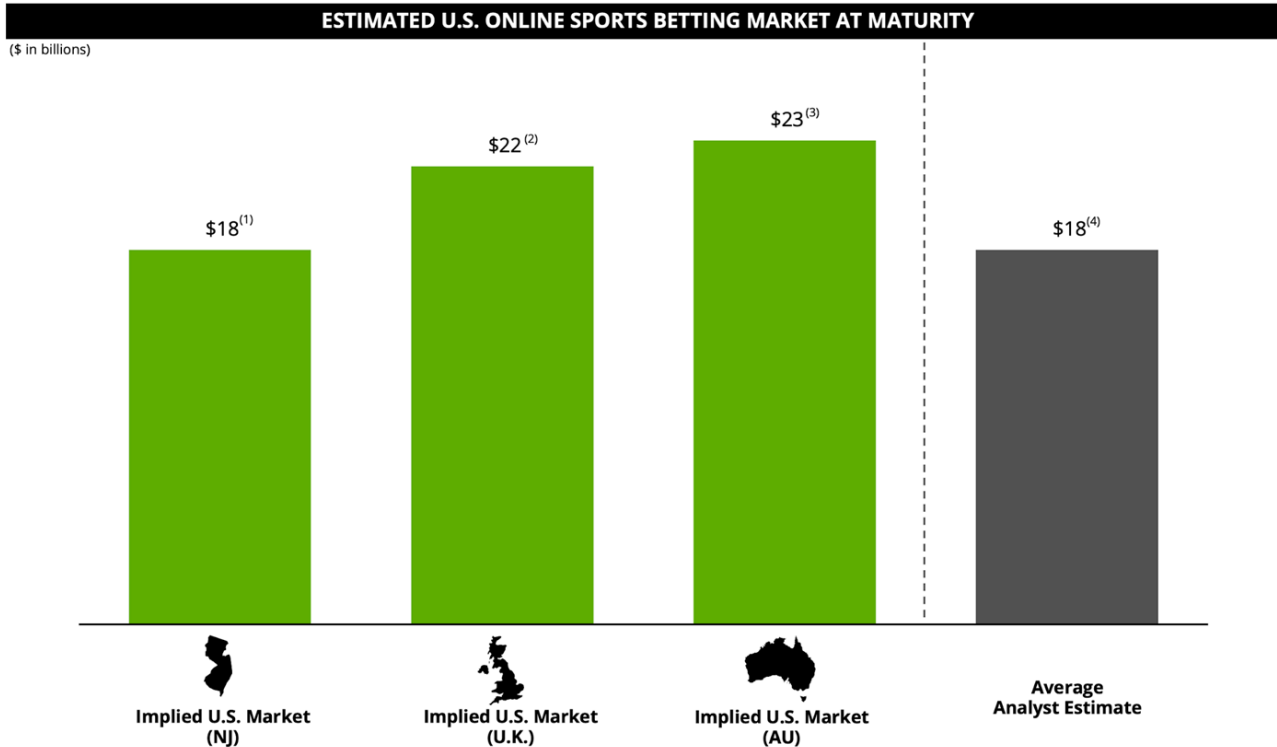


Source: Eilers and Krejcik Gaming, 2018 Oxford Economics U.S. population estimates, H2 Gambling Capital Global All Product Summary Report, June 2019

(1) "GGR" stands for gross gaming revenue.

(2) Sports betting includes horse racing.

# The U.S. Online Sports Betting Market is Estimated to be \$18-23 Billion at Maturity



Source: NJ Department of Gaming Enforcement; H2 Gambling Capital Global All Product Summary Report, June 2019; U.S. Census Bureau; U.K. Office for National Statistics. Industry Research.

(1) Applies 5 year historical NJ iGaming CAGR (28%) to annualized H1'19 NJ OSB GGR (\$180 million) to calculate 2023E NJ OSB GGR; extrapolation based on percentage of U.S. population.

(2) Applies 2023E U.K. GGR per adult (\$88) to U.S. adult population (254 million). 2023E U.K. GGR calculated as 2018 U.K. GGR grown at 5-yr historical OSB CAGR.

(3) Applies 2023E AU GGR / adult (\$92) per H2 Gambling to U.S. adult population (254 million).

(4) Represents average of analyst estimates for entire U.S. population.

# Sports Betting is Legalized in States Representing Just Over One-third of the U.S. Population

State	% of U.S. Population	Legalized <sup>(1)</sup>	Online <sup>(2)</sup>	Online Live or Pending Launch <sup>(3)</sup>
1 New Jersey	2.7%	✓	✓	✓
2 West Virginia	0.6%	✓	✓	✓
3 Indiana	2.0%	✓	✓	✓
4 Oregon	1.3%	✓	✓	✓
5 Pennsylvania	3.9%	✓	✓	✓
6 New Hampshire	0.4%	✓	✓	✓
7 Iowa <sup>(4)</sup>	1.0%	✓	✓	✓
8 Nevada	0.9%	✓	✓	✓
9 Rhode Island	0.3%	✓	✓	✓
10 Tennessee <sup>(5)</sup>	2.1%	✓	✓	✓
11 Washington, DC	0.2%	✓	✓	✓
12 Illinois	3.9%	✓	✓	✓
13 Colorado	1.7%	✓	✓	✓
14 Michigan	3.1%	✓	✓	✓
15 Delaware	0.3%	✓	-	-
16 Mississippi	0.9%	✓	-	-
17 New Mexico <sup>(6)</sup>	0.6%	✓	-	-
18 Montana	0.3%	✓	-	-
19 Arkansas	0.9%	✓	-	-
20 New York	6.0%	✓	-	-
21 North Carolina	3.2%	✓	-	-
<b>% of U.S. Population</b>		<b>36%</b>	<b>24%</b>	<b>13%</b>

★ Indicates states that DraftKings' OSB is currently live in, representing ~12% of the U.S. population<sup>(7)</sup>

Source: "U.S. sports betting tracker" from Gambling Compliance; "Where is sports betting legal in the U.S.?" from Legal Sports Report, U.S. Census Data as of July 2018 (<https://www2.census.gov/programs-surveys/popst/tables/2010-2018/state/totals/nst-est2018-02.xlsx>).

Note: States within each category sorted by launch date where applicable. Live DK states sorted by DK launch date. States pending online launch sorted by legalization date.

(1) Indicates states that have legalized sports betting in some form.

(2) Indicates states with online sportsbooks.

(3) Green check indicates states with operational online sports betting, while yellow check indicates states that are still pending launch.

(4) Iowa requires in person registration at any of the three Wild Rose locations in the state until 1/1/21, after which point full mobile registration is permissible

(5) Tennessee is the only state without retail sportsbooks.

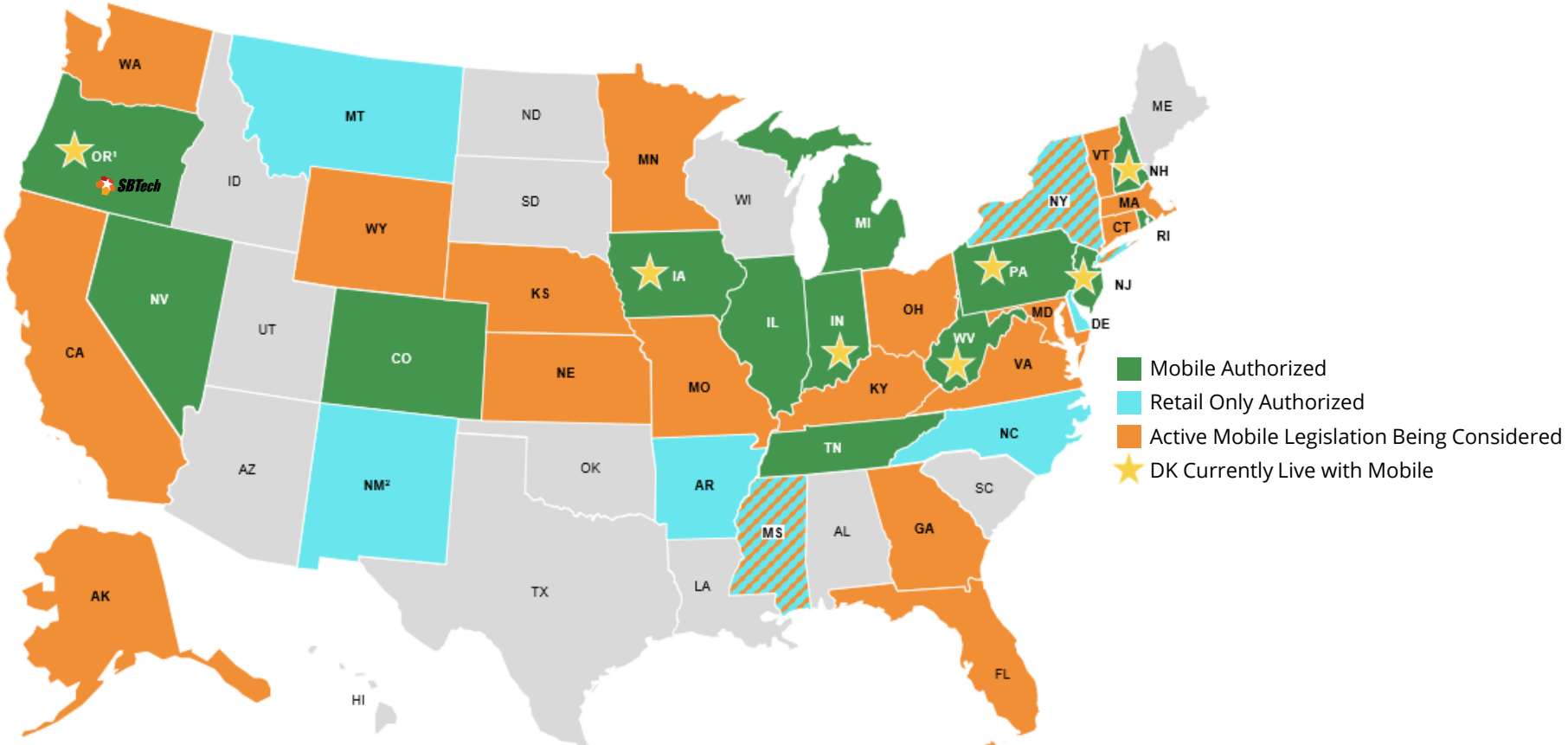
(6) In New Mexico, sports betting is limited to retail only by provision Native American tribal compacts.

(7) Includes SBTech, which provides its online and retail sportsbook offering to the Oregon State Lottery.

Following the repeal of the Professional and Amateur Sports Protection Act (PASPA) in May 2018, 21 states, representing approximately 36 percent of the U.S. population, have legalized sports betting in some form (retail, mobile, or both)

- 14 states have legalized online sports betting, representing ~24% of the U.S. population
- 9 states are currently live, representing ~13% of the U.S. population
- DraftKings (including SBTech) is live in 7 states, representing ~12% of the U.S. population

# 19 States Have Active Mobile Legislation

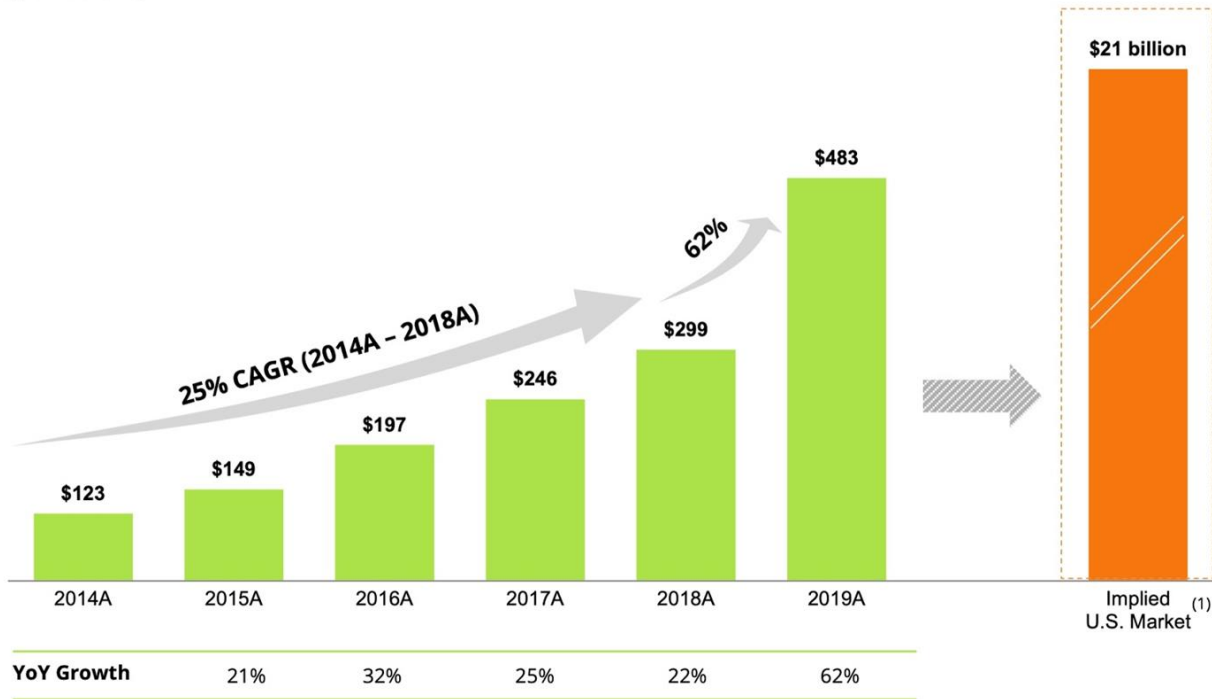


(1) DraftKings live in Oregon via SBTech  
 (2) New Mexico is live with retail only by provision of tribal compacts

# U.S. iGAMING is the Next Wave

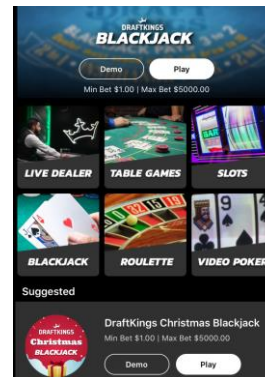
## NEW JERSEY iGAMING GGR

(\$ in millions)



## U.S. MARKET

- iGaming is nearly a half billion dollar industry in New Jersey; **growth has accelerated** since the introduction of OSB in August 2018
- Based on an extrapolation of NJ, we estimate the U.S. iGaming opportunity to be approximately **\$21 billion in GGR**



Source: New Jersey Division of Gaming Enforcement

(1) Projection based on Nine months ended September 30, 2019A New Jersey iGaming GGR annualized, grown one year forward at the historical CAGR of 25%, and divided by New Jersey's share of the U.S. population.

# The U.S. OSB and iGAMING Opportunity: ~\$40BN TAM

## DRAFTKINGS' ONLINE SPORTS BETTING TRAJECTORY

$$\begin{matrix} \$18\text{BN} & \times & 65\% & \times & 20\text{-}30\% & = & \$2.3\text{-}3.5\text{BN} \\ \text{Implied Total} & & \text{of U.S. Population} & & \text{DraftKings'} & & \text{in Gross OSB Revenue} \\ \text{U.S. Market}^{(1)} & & \text{with Legalized OSB}^{(2)} & & \text{OSB Market Share} & & \end{matrix}$$

## DRAFTKINGS' iGAMING TRAJECTORY

$$\begin{matrix} \$21\text{BN} & \times & 30\% & \times & 10\text{-}20\% & = & \$600\text{MM}\text{-}1.2\text{BN} \\ \text{Implied Total} & & \text{of U.S. Population} & & \text{DraftKings'} & & \text{in Gross iGaming Revenue} \\ \text{U.S. Market}^{(3)} & & \text{with Legalized} & & \text{iGaming Market Share} & & \\ & & \text{iGaming}^{(4)} & & & & \end{matrix}$$

# \$2.9-4.7BN

OSB and iGaming Gross Revenue Opportunity for DraftKings

Source: Eilers and Krejcik Gaming, New Jersey Division of Gaming Enforcement.

(1) Based on extrapolation of New Jersey market on page 10.

(2) OSB is legalized in states representing 24% of the U.S. population today.

(3) Based on extrapolation of New Jersey market on page 13.

(4) iGaming is legalized in states representing 10% of the U.S. population today.

# Competitive Positioning and Differentiation

2/17/20

# Unique & Sustainable Differentiation Across Our Entire Ecosystem



Source: Internal DraftKings Analytics as of 2/28/2020. "Payer" is any user who has successfully placed a paid sportsbet or casino wager on DraftKings Sportsbook App or played a paid contest entry on DraftKings Daily Fantasy Sports App



# 9 Keys to Our Unique & Sustainable Differentiation

<b>1</b>	<b>Trusted Brand</b>	Preferred real-money gaming brand among US consumers
<b>2</b>	<b>Daily Fantasy User Database</b>	4M+ users, 8+ years of data creates huge head start for acquisition
<b>3</b>	<b>Our Marketing Machine</b>	Tech-driven platform drives optimization based on player-specific LTV
<b>4</b>	<b>Product Innovation &amp; User Centricity</b>	Outpacing competition with mobile products maximizing engagement
<b>5</b>	<b>Vertical Integration via SBTech combination</b>	Pure focus on creating unique products for U.S. sports fan powered by SBTech platform, after Business Combination
<b>6</b>	<b>Single Wallet Across Products</b>	Seamless experience across states & DK products
<b>7</b>	<b>Geographic Flexibility &amp; Velocity</b>	Tech built for DFS is leveraged to rapidly enter new Sportsbook states
<b>8</b>	<b>Scalable Regulatory Platform</b>	Stable, secure platform ensures responsible gaming, data privacy
<b>9</b>	<b>Data Science Powerhouse</b>	Personalization, automation fueled by robust user-level analytics

# The DraftKings Marketing Machine

# Core Pillars Driving the DraftKings Marketing Machine

## The DraftKings Marketing Machine

### **Our Brand**

Trusted, relevant, powered by our product experience

### **Our Database**

Deep understanding & relationships with our target segment

### **Our CAC Expertise**

Database & national scale creates sustainable CAC advantage

### **Our Analytics**

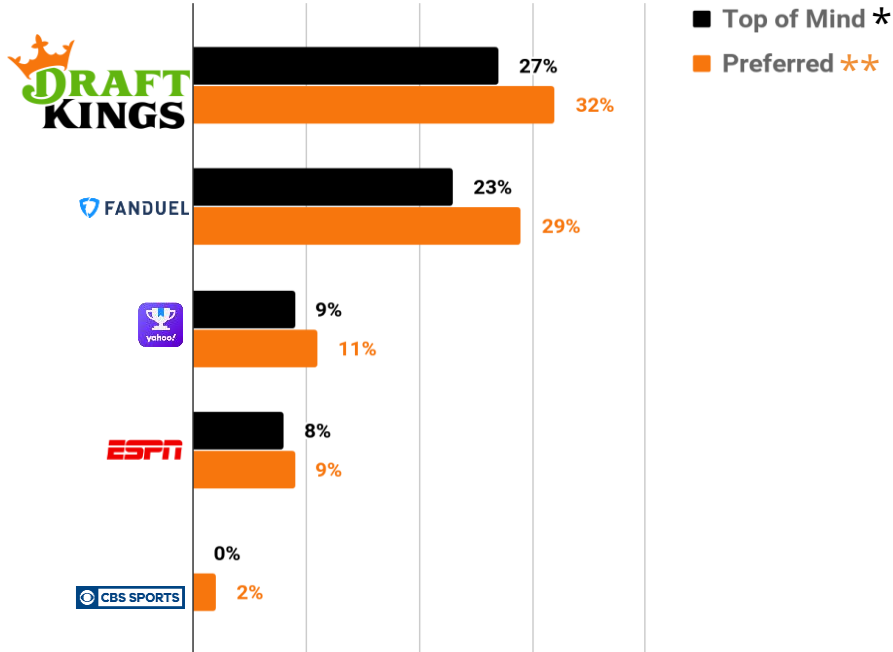
Drives optimal marketing mix & automated bidding

### **Our Platform**

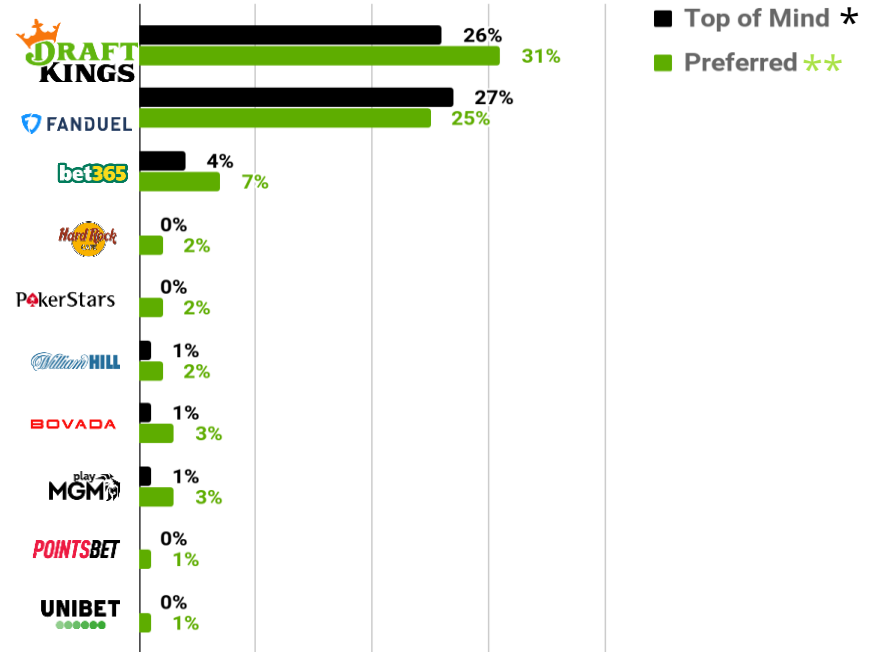
Enables marketing at scale & optimized LTV

# Strong Top of Mind Brand Awareness & Preference Among Core Audiences

## DFS



## SPORTSBOOK



Q4 2019 Quarterly Brand Tracker Commissioned by DraftKings, fielded by ProdegeMR

Sportsbook Tracker: N=354 (Placed a wager on an online sportsbook in the P12M who live in a state where DraftKings Sportsbook is live); DFS Tracker: N=250 (Played a DFS product in the P12M who live in a state where DFS is legal)

\*Q (Top of Mind): When you think about [fantasy sports sites (both season-long and daily)/ websites/apps that you can wager on sports], what is the first site that comes to mind?

\*\*Q (Preferred): Which of the following [fantasy sports sites/ sports wagering sites] is your preferred site for playing [fantasy sports/sports wagering]? (please select one)

# 4M+ Unique Payer Database — More Than Just a Marketing List

*Loyal to the Brand, Primed for Low-Friction Onboarding*



## Payment Relationships

Saved payment methods from DFS account create seamless transactions



## Simplified Verification

Existing KYC enables streamlined verification process



## Personal Experience

Play history fuels personalized experience based on affinities for sports, teams, players, etc



## Trusted Brand

Trust established across all consumer touchpoints

# DFS Database Drives Significant CAC Advantage and Will Continue to be Competitive Advantage

~30% of NJ payers are from our existing NJ DFS database

**New states follow similar trend**

DFS Database advantage **exists proportionately in >40 states**<sup>(2)</sup>

DFS Database **continues to grow**

## CUSTOMER ACQUISITION IN NEW JERSEY

New Jersey Unique Paid Users

A

46k

OSB or iGaming Paid Users  
Cross Sold from  
Existing DFS Database

+

B

117k

Newly Acquired Paid Users

=

C

163k

Total NJ Unique Paid Users for OSB & iGaming<sup>(1)</sup>

Note: OSB and iGaming database figures reflect paid users from OSB launch in August 2018 through December 31, 2019.

(1) Excludes existing out-of-state users who have used the product in New Jersey.

(2) 4M+ existing DFS paid users refers to the cumulative unique paid user base in the US as of December 31, 2019.

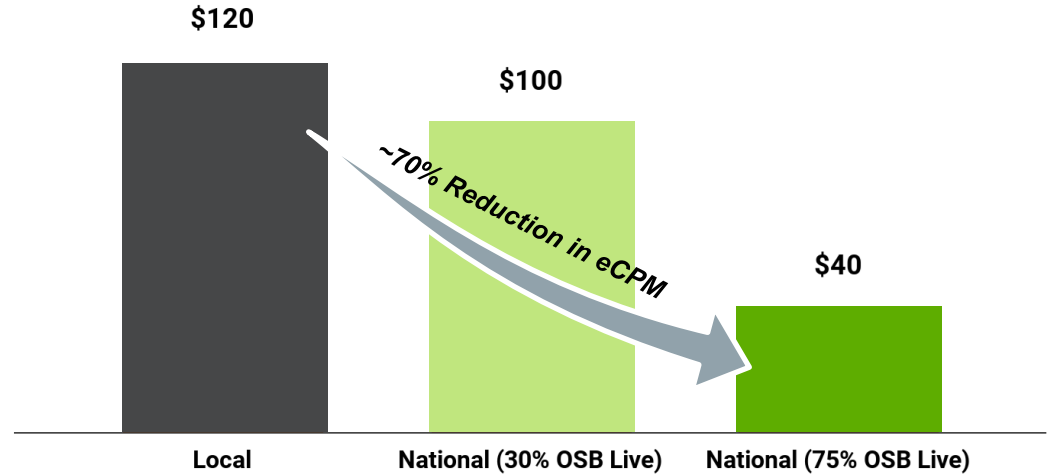
# National CAC Efficiencies Realized As We Scale

## National Scale matters:

- **CAC improves significantly** with shift into national advertising
- **Single platform** allows for ongoing acquisition in advance of OSB legalization
- **Operators with greatest population** have outsized advantage

## ILLUSTRATIVE OSB MARKETING EFFICIENCY AT SCALE

Average Effective Cost per Thousand ("eCPM")<sup>(1)</sup>



Average CPM

~\$90

~\$30

~\$30

Marketing Efficiency<sup>(2)</sup>

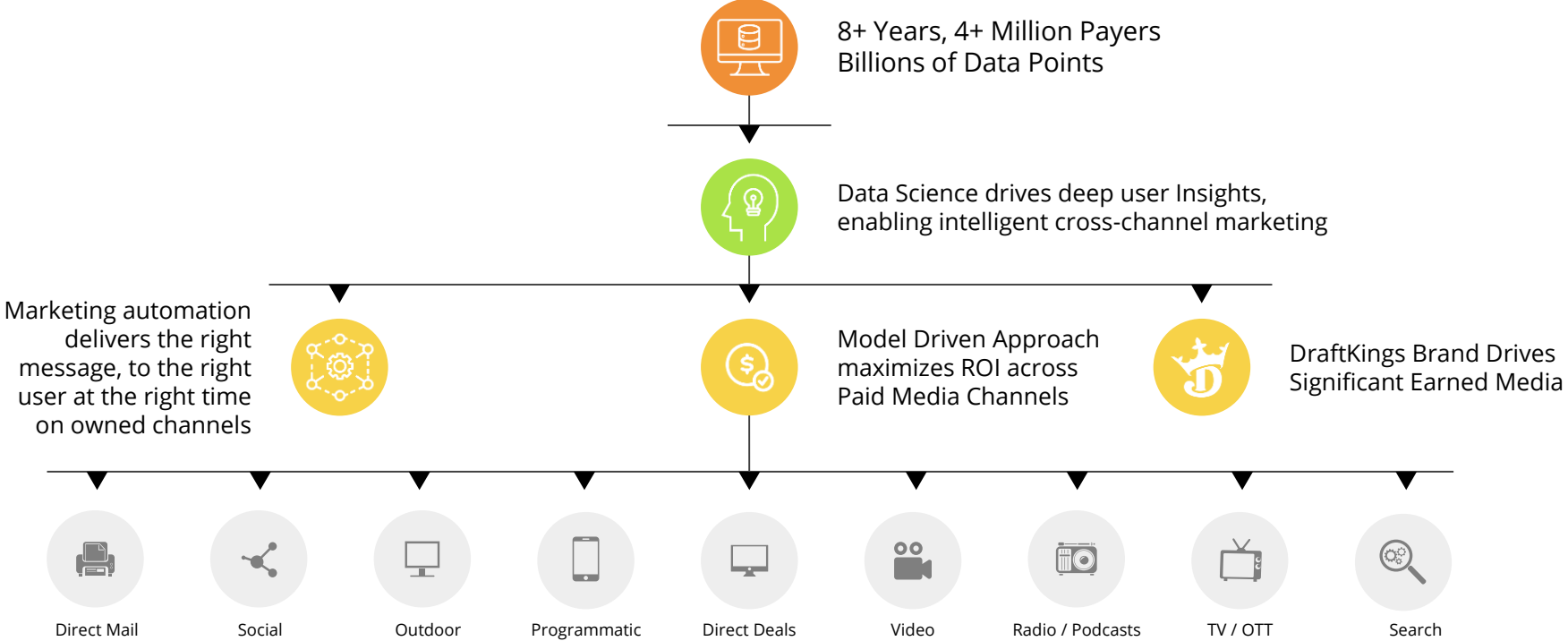
~75%

~30%

~75%

Notes:  
(1) eCPM calculated as average CPM divided by marketing efficiency.  
(2) Marketing efficiency is the percentage of impressions that reach live DK states.

# Sophisticated Data Science Drives Marketing Decisions



Source: Internal DraftKings Analytics as of 2/28/2020. "Payer" is any user who has successfully placed a paid sportsbet or casino wager on DraftKings Sportsbook App or entered a paid contest on DraftKings Daily Fantasy Sports App



# Case Study: Personalized Push Notification Sends Right Message to Right User at Right Time

## DK GATHERS USER DATA



## DK PARSES DATA TO DRIVE USER-LEVEL AUDIENCE SELECTION

### dk-abenton

- Plays Classic PGA contests
- Likes \$50K+ top prizes
- Entry Fee range: \$5 - \$20

### dk-BadNBougee

- Plays NFL Limited entry contests
- Likes \$75K+ top prizes
- Entry Fee range: \$1 - \$3

### dk-vmynders

- Plays NBA contests
- Likes Winner takes all payouts
- Entry Fee range: High Stakes

## DK DATA SCIENCE DRIVES PERSONALIZED OFFER TO USER



Note: Illustrative DraftKings push notifications powered by Braze. Does not reflect actual communication with DK users.

# Our Foundation: Product, Technology & Data

# Core Pillars Driving DraftKings Product, Technology and Data

## DraftKings Product, Technology, & Data

### **Innovation**

Track record delivering unique player experiences

### **User Centricity**

Excellence across product management & user research results in high app ratings & engagement

### **Scalability & Security**

Highly reliable back end built to support speed & performance at scale<sup>(1)</sup>

### **Data Science**

Personalization, automation, cross sell powered by intelligence of our data platform

### **Speed to Market**

Flexible back-end enables fast & cheap entry into new jurisdictions

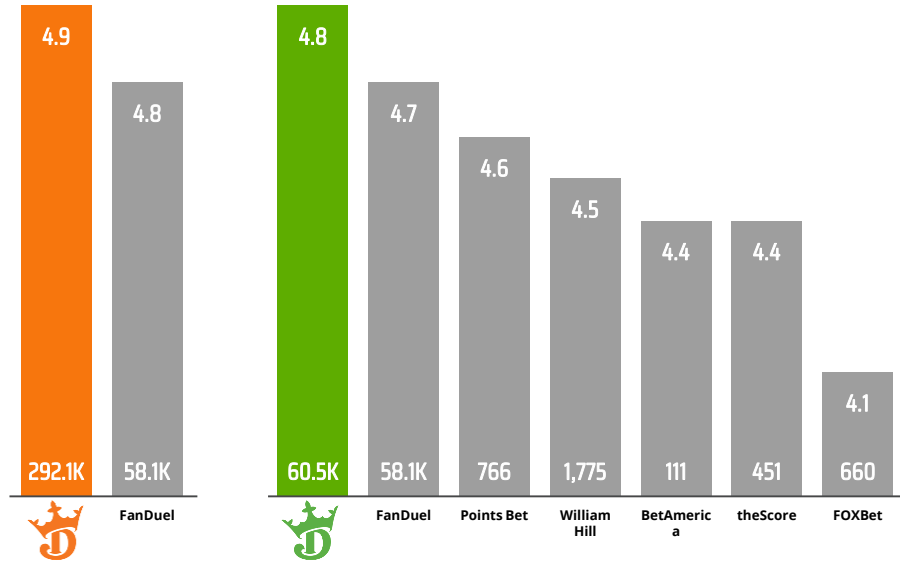
# User-Centric Approach Results in App Satisfaction & Strong Engagement

## APP RATINGS



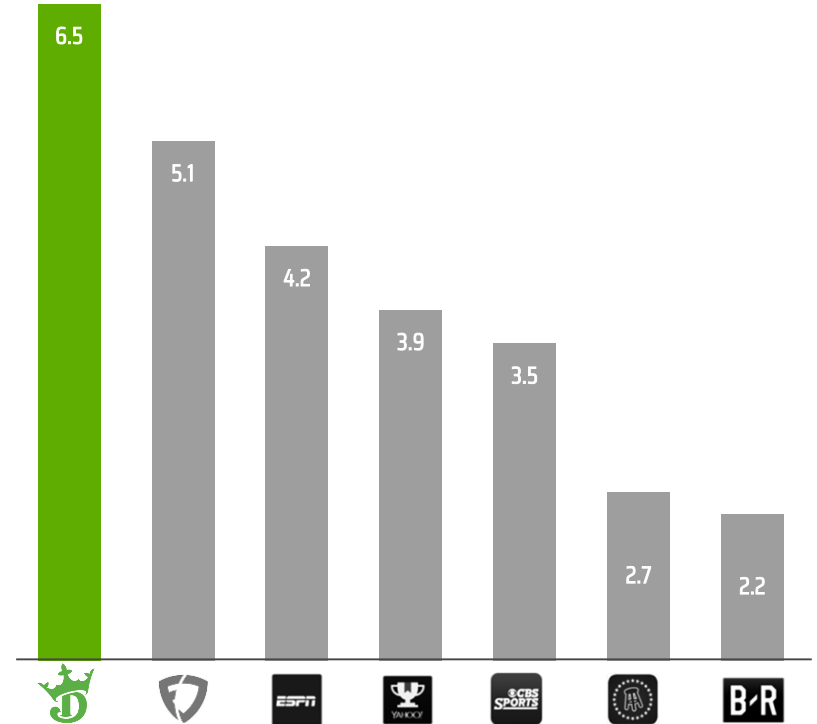
APP STORE RATINGS

APP STORE RATINGS



Source: iOS App Ratings as of 2/28

## AVERAGE MINUTES SPENT PER SESSION



(1) Source: comScore monthly average from 1/2019-1/2020

(2) Data is aggregate of all DraftKings-tagged pages across ComScore. Inclusive of DFS, Sportsbook, iGaming

# Scalability, Intelligence & Speed: The Infrastructure Driving our Products & Technology

*The  
DraftKings  
you see*



**DAILY FANTASY SPORTS**



**SPORTSBOOK**



**iGAMING**

*The  
DraftKings  
you  
don't see*

FANTASY  
PLATFORM



SPORTS BETTING PLATFORM  
3RD-PARTY RISK & TRADING PLATFORM

WILL BE MIGRATED TO



iGAMING  
PLATFORM



UNIFIED WALLET & USER ACCOUNT

DATA SCIENCE, MARKETING & AUTOMATION PLATFORM

REGULATORY COMPLIANCE & RESPONSIBLE GAMING PLATFORM

# Daily Fantasy Sports: The Early Foundation for Our Speed & Innovation

Launched ~4 years after DFS incumbents, **rapidly rose to market leadership**

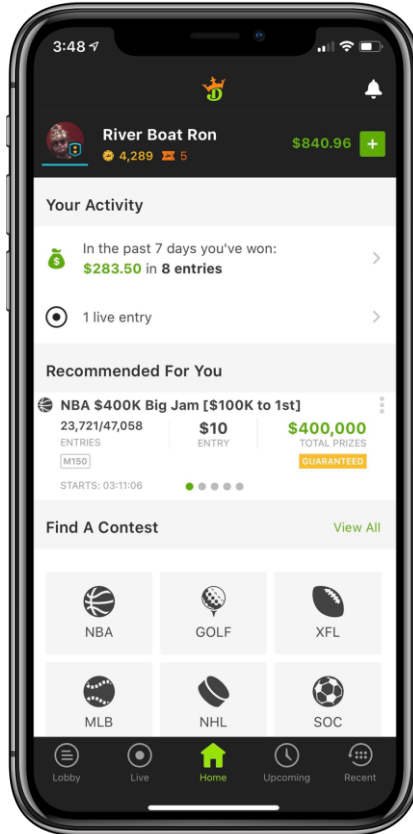
Agile technology allowed delivery of **huge range of consumer products and prizes:**

- 16 Sports
- 6 Game Types
- 133 Millionaires Crowned

User-centric approach has informed **key innovations:**

- First to launch DFS Golf, Nascar, eSports, Tennis

Continuing to pace the industry with products like **single-game & in-game DFS**



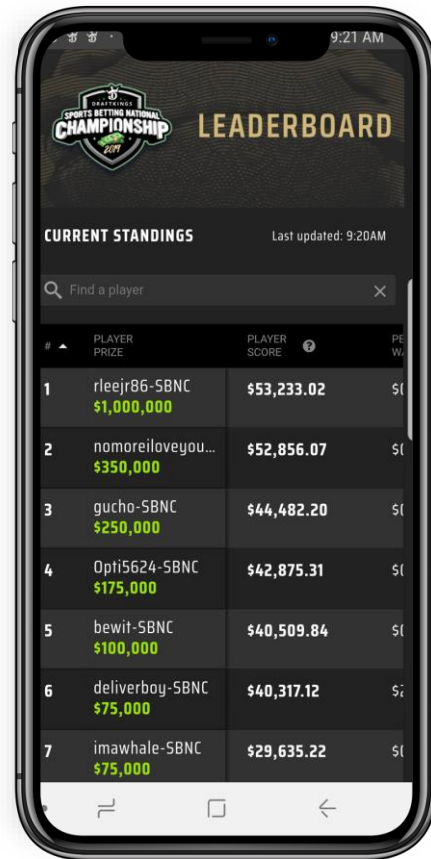
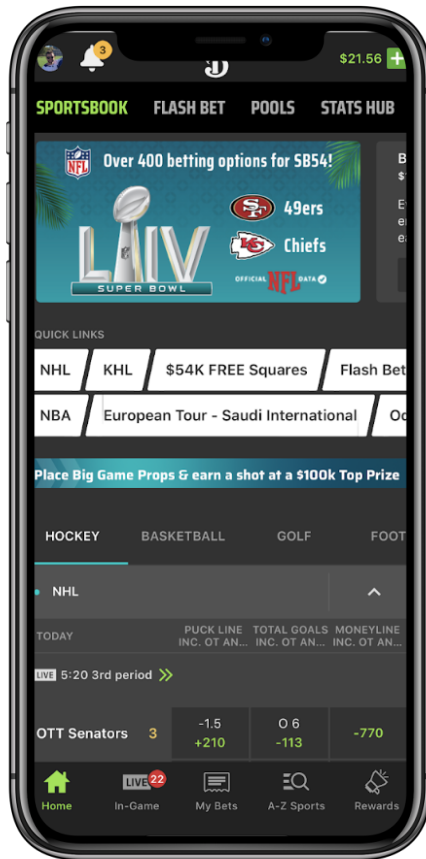
# Online Sportsbook: First to Market, Dynamic Product Evolution

**Early to market** in seven U.S. states. <sup>(1)</sup>

Have paced U.S. online industry with **innovative betting products:**

- **First & only** online paid pools & brackets, in-game 'flash betting' experience

Set to become only **vertically integrated** sportsbook in U.S. following **business combination with SBTech.**



Notes:

(1) Includes Oregon via SB Tech acquisition

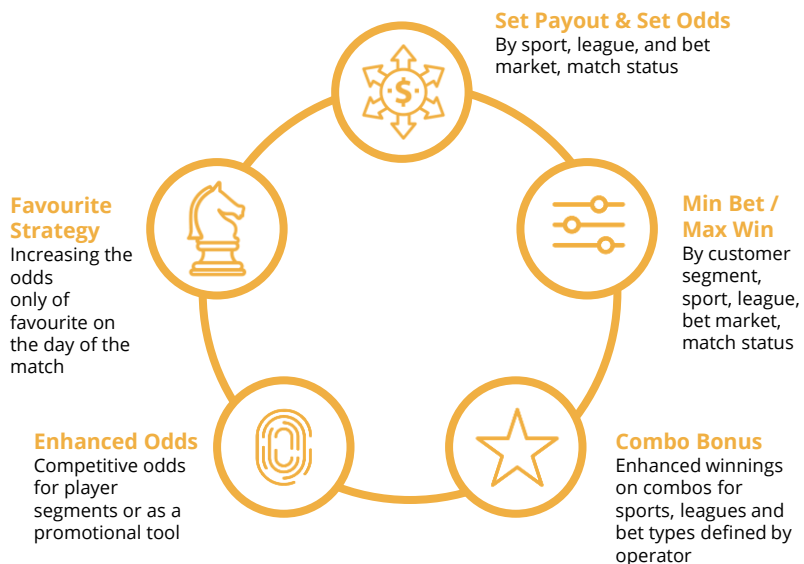
# Our Combination With SB Tech Will Make Us the Only Vertically Integrated Online Sportsbook in the U.S.





# Deep Dive: How the SB Tech Platform Will Allow DraftKings Sportsbook to Control its Own Destiny

## SB TECH PROVIDES FULL CONTROL OF STRATEGY AND RISK MANAGEMENT



## DEEPER DIVE: SBTECH'S SPORTS ENGINE



# iGaming: Product Innovation Drove Rapid Rise to No. 1 in Market Share

Launched **iGaming offering inside Sportsbook app**, increasing speed to market & cross-sell:

- **46% of NJ DK Sportsbook users** have placed a casino bet<sup>(1)</sup>

Launched **in-house iGaming studio**; **50% of total handle** now comes from DK Games<sup>(2)</sup>

Constant innovation has led to **market firsts** like Blackjack Now.

Within 12 months, ascended to become **Top 2 market-share product**<sup>(3)</sup> in industry full of established incumbent players.



Notes:

(1) 46% of users whose first or last paid sportsbet was in NJ have also placed a paid casino bet at some point in time as of March 2, 2020

(2) 50% of total Casino handle since launch of DK Games in September 2019 are on DK Games as of March 2, 2020

(3) Market Share calculated as December 2019 DK iGaming GGR divided by NJ DGE December 2019 Revenue Report. Internal Estimates place DraftKings #1 in Market in December 2019 with 17% Market Share

# Nimble Proprietary Technology Platform Capable of Operating at Large Scale

**99.97%**

Up Time

**Tens of  
Thousands**

Financial Transactions in  
1 minute at peak time

**~1 Million**

Peak API requests in  
1 minute

## PROPRIETARY TECHNOLOGY PLATFORM

**Decoupled and  
highly scalable**

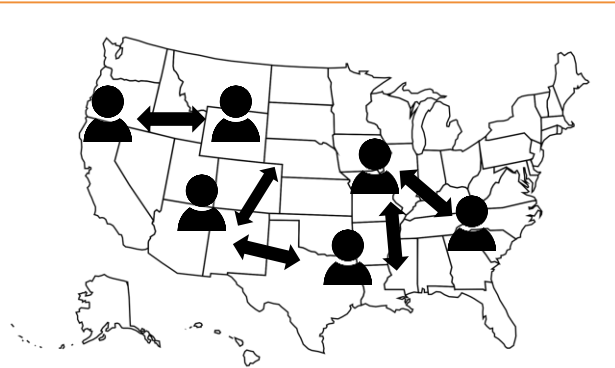
**Integrated Wallet  
Across All DK  
Products**

**Secure cardholder  
environment with  
smaller PCI scope**

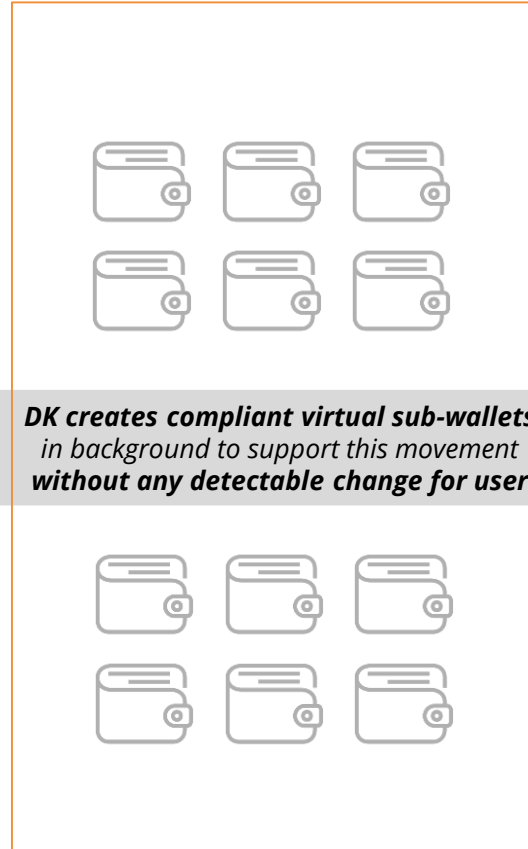
**Ease of localization  
and feature  
implementation**

**Flexible tech stack  
capable of  
supporting massive  
user/product  
expansion**

# Single-Wallet Technology Enables Seamless Multi-State, Multi-Product Experience



User moves from **state to state**  
and / or from  
**product to product**



DK creates compliant virtual sub-wallets  
in background to support this movement  
without any detectable change for user



User experiences  
single wallet **no matter where**  
he/she is or **what**  
he/she is playing

# Flexible Back End Enables Rapid Entry Into New Jurisdictions

Leverage flexible **back end built for DFS** in 40+ jurisdictions

Users with DraftKings only need **one account, one wallet and one Sportsbook App** to play in **any state** where we operate

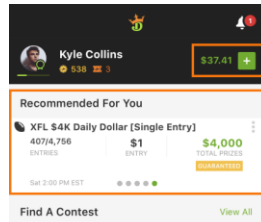
Can meet unique state requirements easily with **minimal incremental Product & Technology spend**

Upon launch, **users instantly have accounts and funds** on our site



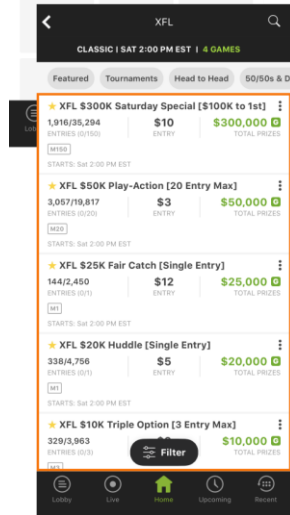
# Data Science Creates a Personalized User Interface Within our Products

Our Personalization Engine applies across all elements of our product, from **deposit recommendations** to **sport and bet type**

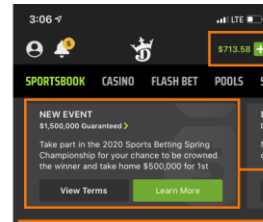


**QUICK DEPOSIT**  
Amount recommendations

**PERSONALIZED CONTEST**  
Recommendations



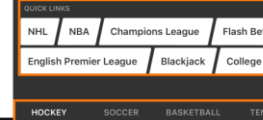
**LOBBY SORTING**  
Featured lobby and sport lobbies



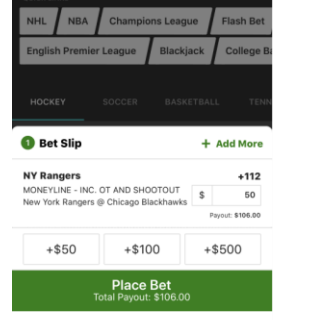
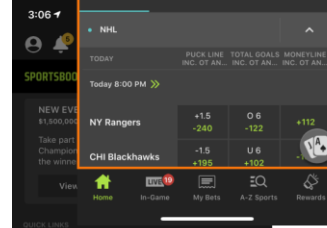
**SECURE DEPOSIT**  
Amount recommendations

**OFFER CARD**  
Recommendations

**QUICK LINKS**  
Personalized recommendations



**GAME LINE, LEAGUE & EVENT**  
Recommended order



# Differentiated Investment in Responsible Gaming & Consumer Data Protection



**DAILY FANTASY  
SPORTS**



**SPORTSBOOK**



**iGAMING**

## Regulatory Compliance



- Safe & Secure Registration
- Regulator tested KYC Processing
- Source of Funds validation
- Biometric Login

**GEOCOMPLY**

### Plugin technology to detect:

- Exact location of every log-in, bet placed & transaction attempt

## Game Integrity



- Leading member of the Sports Wagering Integrity Monitoring Association SWIMA
- Leverage internal analytics to identify suspicious behavior

## Secure Payments



- Payment Card Industry (PCI) level 1 certified platform
- Users know that all transactions can be trusted with us
- Many payment methods available today for Sportsbook & iGaming, with more being added

# Unit Economics & Enterprise Profitability



# Customer LTV Increasing

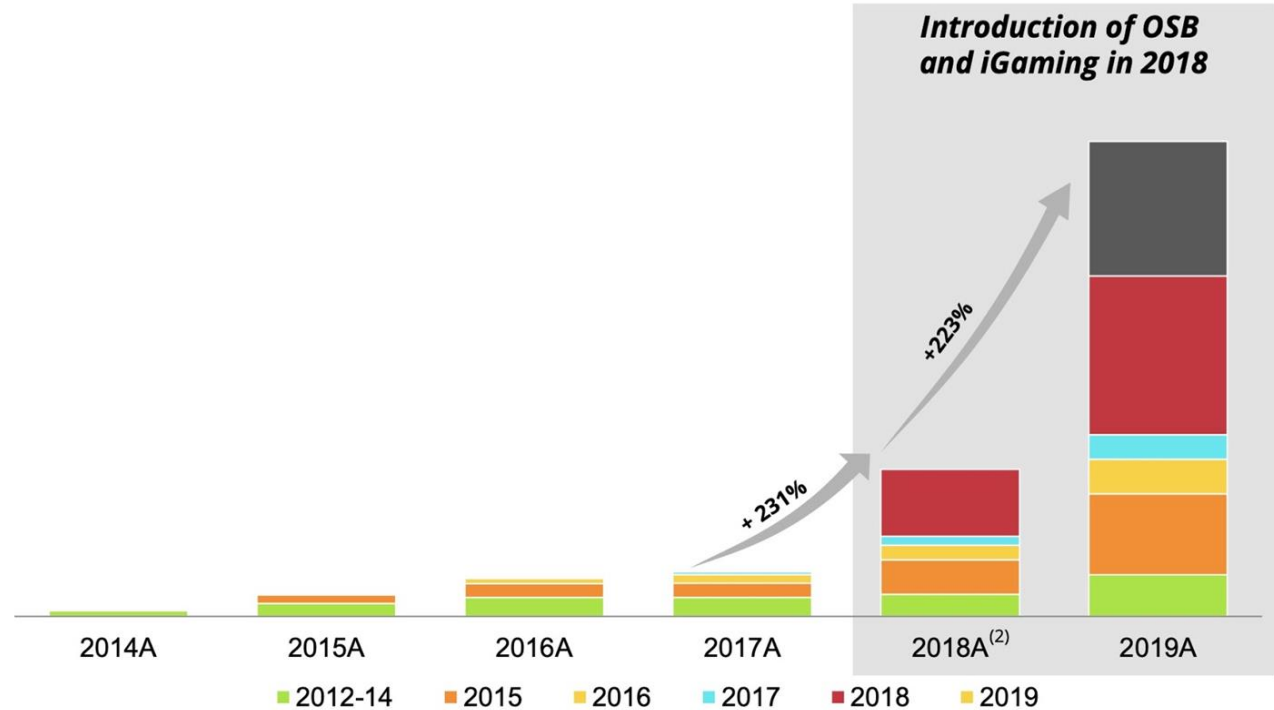
## NEW JERSEY NET REVENUE BY COHORT<sup>(1)</sup>

### Key Takeaways

Each cohort has expanded in both years since the introduction of OSB and iGaming

In the first full-year with all products live (i.e. 2019), 2012-2017 cohorts experienced a **4.1x increase in revenue** relative to 2017

Size of new cohorts is significantly larger than past cohorts



(1) Cohort year determined by user's first paid activity, whether DFS, OSB, or iGaming.  
(2) 2018 data reflects five months of live OSB and a half of a month of live iGaming.

# Expected New Jersey Contribution Profit Demonstrates Speed to Profitability

## NEW JERSEY SERVES AS EXAMPLE OF STATE-BY-STATE ECONOMIC RAMP

(\$ in millions)

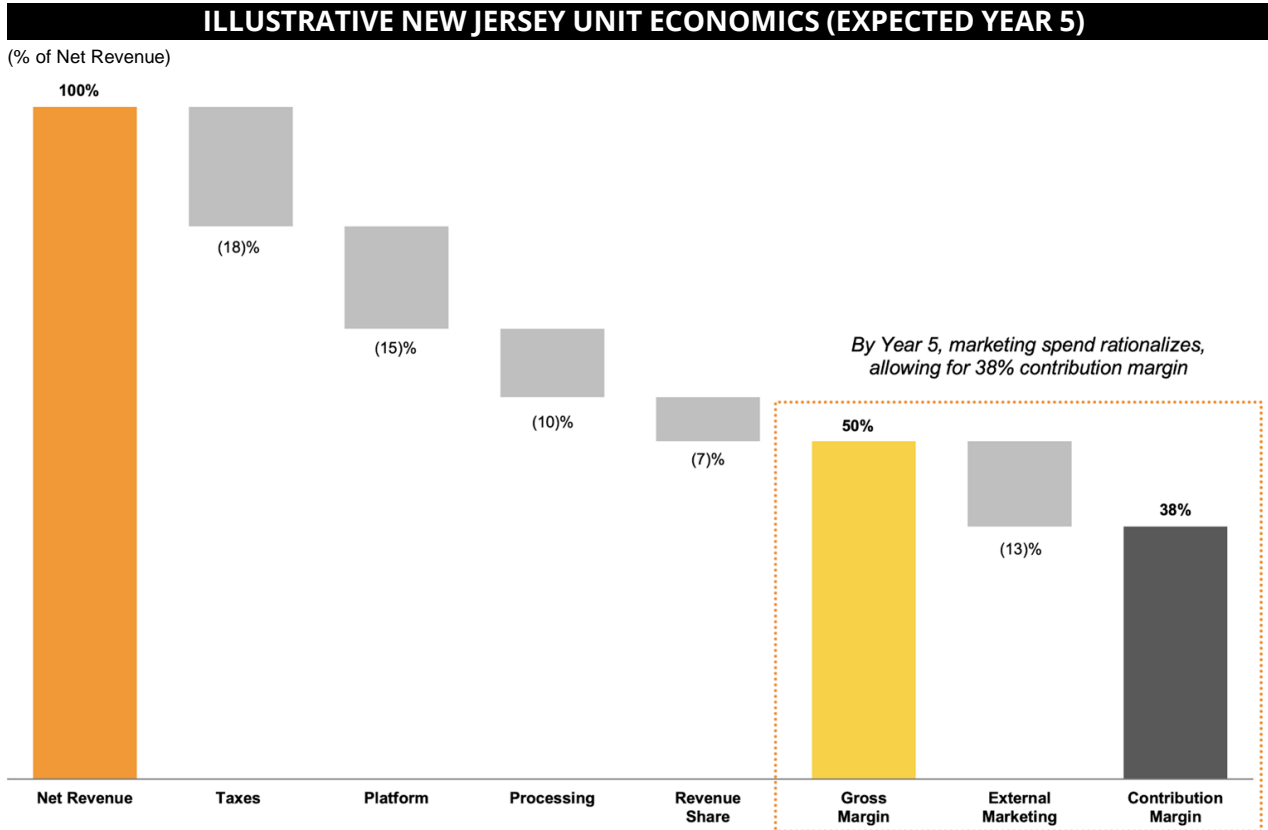


- ✓ Early outsized promotion and marketing spend is critical for initial user acquisition
  - Declines as percentage of revenue as user base grows in each state

- ✓ Improving contribution profit as marketing spend rationalizes
- ✓ As more states launch, ability to shift to national spend will improve LTV / CAC and state profitability

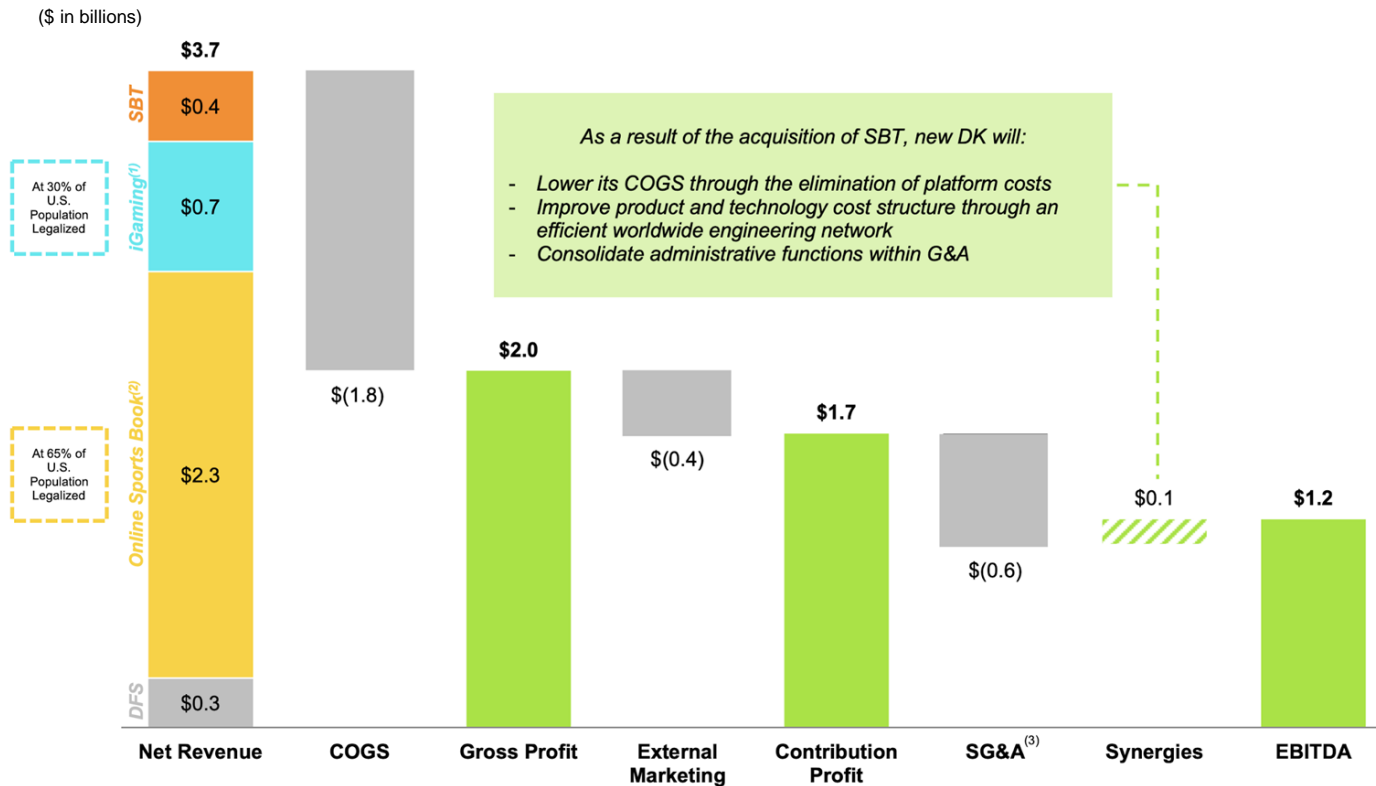
- ✓ Significant operating leverage realized in platform & processing fees as business grows

# New Jersey Expected to Achieve 38% Contribution Margin



Note: Figures may not foot due to rounding and are displayed as percentage of net revenue.

# Illustrative Path to \$1 Billion+ in EBITDA



Assumes 65% of population has live OSB and 30% of population has live iGaming, and then rolls forward 5 years to "maturity"

Assumes DK has 25% and 15% market share in OSB and iGaming, respectively

Note: Figures may not foot due to rounding.

(1) Assumes 30% of U.S. population has access to legalized iGaming with DraftKings achieving 15% market share. Net of promotional allowances (22% of gross revenues).

(2) Assumes 65% of U.S. population has access to legalized sports betting with DraftKings achieving 25% market share. Net of promotional allowances (22% of gross revenues).

(3) Assumes 10% SG&A growth per annum from today. SG&A includes Sales and Marketing, Product and Technology, and General and Administrative expenses.

# Combined Company Projection Model

## ASSUMPTIONS

### 2020 Assumptions

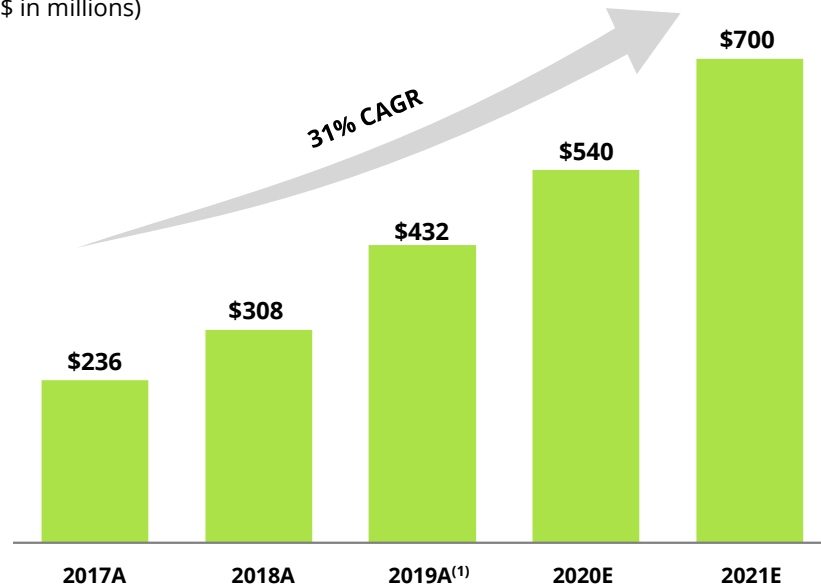
- Online sportsbook live in current "line-of-sight" states, which represent approximately 10% of the U.S. population
- iGaming live in NJ and PA
- DFS continues to maintain leading market position
- SBTech grows from existing and newly acquired customers

### 2021 Assumptions

- Additional states legalize / launch online sports betting; OSB available to approximately 20% of U.S. population
- iGaming is legalized in additional states; DraftKings generates revenue from states representing a further 4% of the U.S. population
- DFS continues to maintain leading market position
- SBTech grows from existing and newly acquired customers

## HISTORICAL / PROJECTED NET REVENUE

(\$ in millions)



### YoY Growth

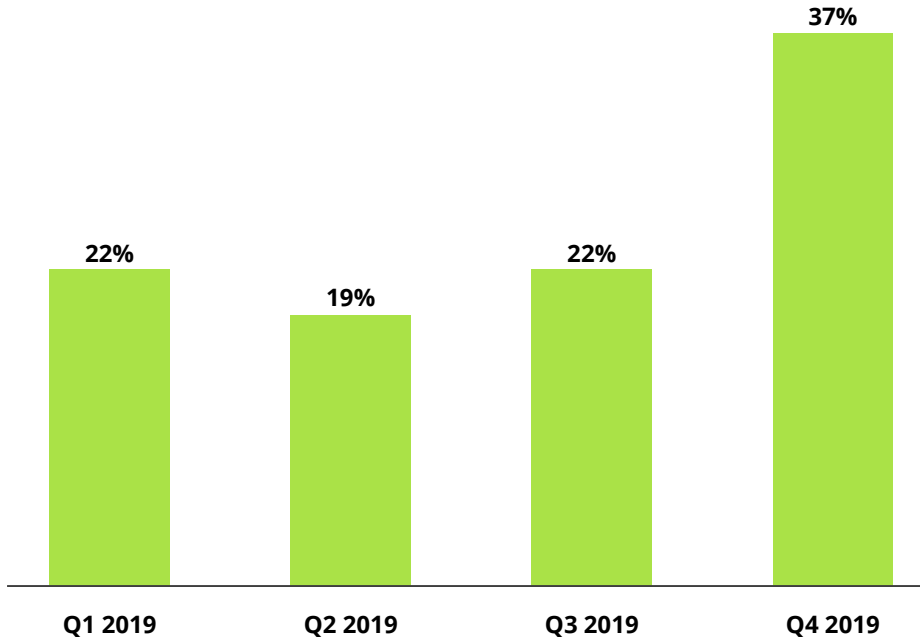


Source: Management projections.

(1) SBTech portion of net revenue converted to USD at average rate over twelve months ending December 31, 2019 (1.1194 USD/EUR).

# 2019 Quarterly Seasonality

**ProForma CombinedCo 2019 Revenue by Quarter**  
% of Full Year 2019



2019 solid foundation to think about seasonality

On margin, expect Q1 to be slightly larger going forward as more OSB-friendly sporting events thus modestly shifting overall quarterly activity into Q1

# Proposed Transaction Summary

Diamond Eagle Acquisition Corp. is a publicly listed special purpose acquisition vehicle with over \$400 million in cash

DEAC has agreed to combine with DraftKings and SBTech

- Values the combined DK and SBT business at \$2.7 billion (based on book value of DEAC)
- Represents an attractive entry multiple of 3.9x 2021E revenue; projected annual revenue growth of 30%+ as states legalize and launch sports betting and iGaming

Post-closing, the combined company will have a dual class shareholder structure with super voting rights comprised of Class A common stock, which will carry one vote per share, and Class B common stock, which will carry 10 votes per share. Jason Robins will hold Class A and Class B common stock such that he will hold approximately 90% of voting power

Concurrent with this transaction, DK and DEAC have raised \$414 million<sup>(2)</sup> in committed PIPE equity from select investors

After giving effect to the transaction (assuming no redemptions), the company will have over \$500 million of unrestricted cash with public equity currency to ensure access to capital to fuel growth

Note: DraftKings may increase the PIPE size between transaction announcement and close. Figures may not foot due to rounding.

(1) Cash held in the trust account as of December 31, 2019.

(2) Includes \$109.2 million in DK convertible notes that convert to PIPE shares. This amount does not count toward the determination of the satisfaction of the Minimum Proceeds Condition under the BCA.

(3) Assumes no redemptions from DEAC's trust account.

(4) Represents SBT cash consideration converted to USD at 1.116 USD/EUR.

(5) Represents total seller equity value including value of outstanding vested options.

(6) Includes 80,000 founder shares that have been transferred to DEAC's independent directors

(7) Estimated transaction-related costs include \$14.0 million in deferred underwriting commissions related to DEAC's initial public offering, estimated cash amount to be paid to stockholders of DraftKings that are deemed to be non-accredited investors, and payment of \$10.0 million in bonuses to management of DraftKings upon close of the Business Combination.

(8) Includes shares issuable pursuant to vested DK and SBT options and warrants that will be rolled over at Closing. Excludes DEAC warrants and earnout shares.



## ILLUSTRATIVE SOURCES AND USES<sup>(3)</sup>

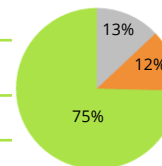
(\$ in millions)

Sources	Uses
DEAC Cash in Trust <sup>(1)</sup>	Cash to Balance Sheet
PIPE Investment <sup>(2)</sup>	Cash to SBT Shareholders <sup>(4)</sup>
Sellers' Equity <sup>(5)</sup>	Sellers' Equity <sup>(5)</sup>
DEAC Upfront Founder Equity <sup>(6)</sup>	SPAC Upfront Founder Equity <sup>(6)</sup>
	Transaction Fees <sup>(7)</sup>
<b>Total</b>	<b>Total</b>

## ILLUSTRATIVE PRO FORMA OWNERSHIP AT CLOSE<sup>(3),(8)</sup>

PF Share Count (Shares in 000's)

Sellers' Rollover Equity	250,774
DEAC Shareholders	43,659
PIPE Investors	41,747



Sellers' Rollover Equity

DEAC Shareholders

PIPE Investors<sup>(2)</sup>

**Diluted Shares Outstanding** 336,179

# Components of DraftKings' Standalone P&L

## RESULTS OF OPERATIONS

(\$ in millions)

	FY2019	Select Commentary
<b>Net Revenue</b>	<b>\$323</b>	<ul style="list-style-type: none"> <li>Net of promotional costs</li> </ul>
Less: Cost of Revenue	(104)	<ul style="list-style-type: none"> <li>Taxes, platform, payment processing, and revenue share</li> </ul>
Less: Sales and Marketing	(185)	<ul style="list-style-type: none"> <li>Marketing team headcount costs, public relations, brand &amp; creative services, and marketing attributable to unit economics</li> </ul>
Less: Product and Technology	(56)	<ul style="list-style-type: none"> <li>Product and engineering headcount costs for product development</li> </ul>
Less: General and Administrative	(125)	<ul style="list-style-type: none"> <li>Administrative personnel (e.g., HR, Finance, Legal, Lobbying), stock compensation expense and benefits, professional services</li> </ul>
<b>Loss from Operations</b>	<b>\$(147)</b>	<ul style="list-style-type: none"> <li>Before interest income (expense) and taxes</li> </ul>
Plus: D&A	14	<ul style="list-style-type: none"> <li>Allocated across cost of revenue and operating expenses</li> </ul>
Plus: Stock-Based Compensation	18	<ul style="list-style-type: none"> <li>Primarily allocated to G&amp;A</li> </ul>
Plus: Other Adjustments	17	<ul style="list-style-type: none"> <li>Transaction-related, litigation and settlement, and other non-recurring and special project costs; primarily allocated to G&amp;A</li> </ul>
<b>Adjusted EBITDA</b>	<b>\$(99)</b>	

Source: Company filings and management. Note: Figures may not foot due to rounding.



**Thank You**