FY 2024 EARNINGS PRESENTATION

February 13, 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. (“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,” “poised,” “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.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends, including the current macroeconomic environment, that we believe may affect our 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, including those described in “Risk Factors” in our filings with the Securities and Exchange Commission (the “SEC”), which are available on the SEC’s website at www.sec.gov. Additional information will be made available in other filings that we make from time to time with the SEC.

In addition, the forward-looking statements contained in this presentation are based on management’s current expectations and beliefs and speak only as of the date hereof. We undertake no obligation to update or publicly release any revisions to 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.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Free Cash Flow, Adjusted Operating Expenses and Adjusted Earnings (Loss) Per Share, 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. For more information on these non-GAAP measures, including reconciliations to most directly comparable GAAP measure, as applicable, see “Non-GAAP Financial Measures” below and the Appendix of this presentation.

Current business highlights

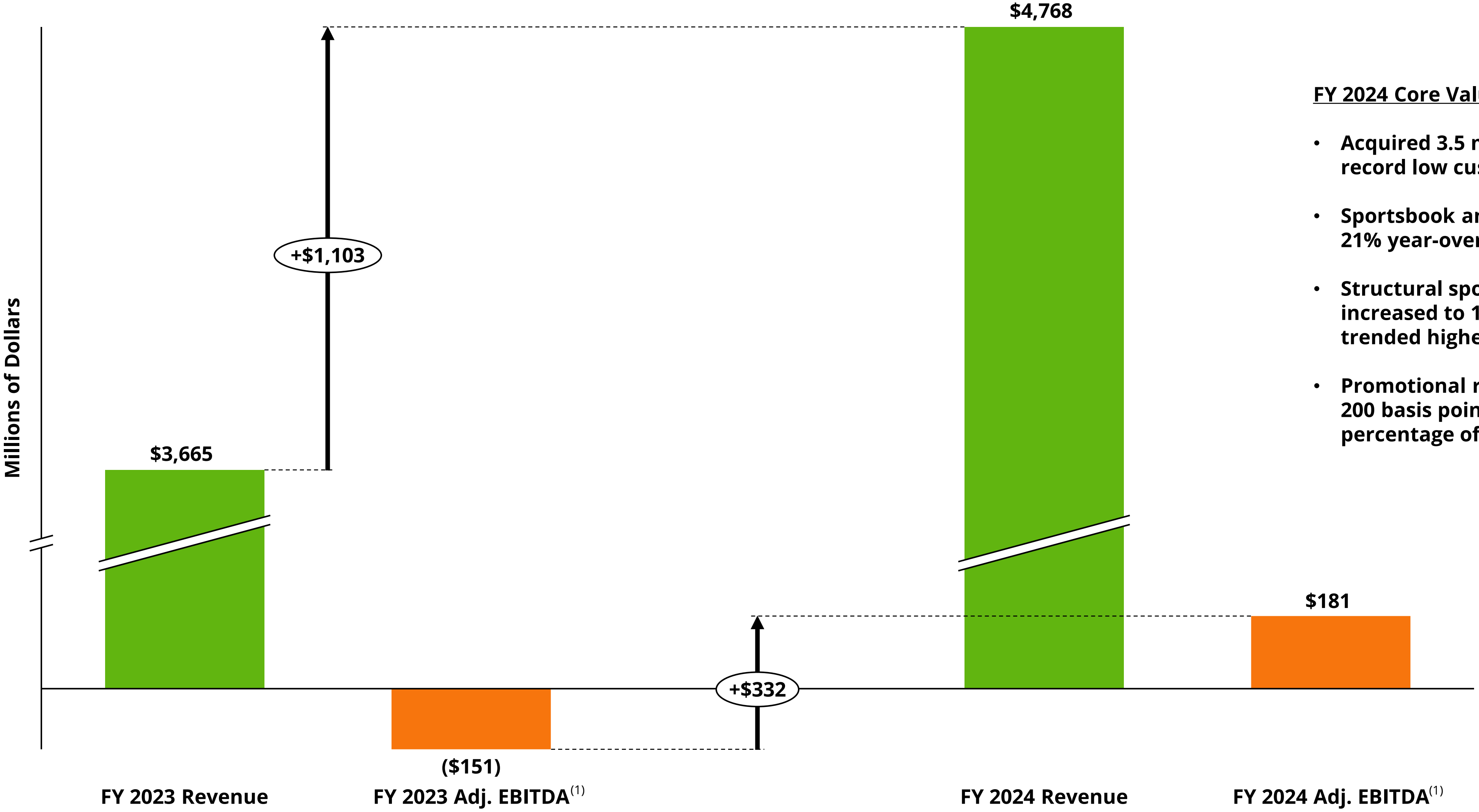
1	**FY 2024 was a strong year with revenue +30% YoY to \$4.8B, Adj. EBITDA[1] +\$332M YoY to \$181M, and positive Free Cash Flow[1] for the first time in our history**
2	**We acquired 3.5M new customers at record low CACs[2] in FY 2024 while handle, actual sportsbook hold percentage, and promotional reinvestment rate all improved**
3	**We are positioned to benefit in 2025 and beyond from our differentiated technology platform, strong brand, and loyal customer base**
4	**Due to enhancements in our live betting offering, we are raising our FY 2025 revenue guidance[3] midpoint to \$6.45B from \$6.4B, implying YoY growth of 35%**
5	**We are reaffirming our FY 2025 Adj. EBITDA guidance[3] of \$900M to \$1.0B and continue to expect Free Cash Flow of approximately \$850M**

(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.

(2) Customer acquisition cost (CAC) is defined as external marketing spend divided by new customers. We do not credit customer acquisition for customers who are cross-sold between our verticals or customers who we inherited and retained through the acquisition of Jackpocket. We achieved record low CACs in FY 2024 even when excluding the benefit from acquiring Jackpocket customers.

(3) DraftKings provided updated FY 2025 revenue guidance of \$6.3 billion to \$6.6 billion, Adj. EBITDA guidance of \$900 million to \$1.0 billion, and Free Cash Flow of approximately \$850 million on February 13, 2025.

We achieved strong FY 2024 results across our core value drivers



<u>**FY 2024 Core Value Drivers:**</u>

- **Acquired 3.5 million new customers at record low customer acquisition costs**[2]
- **Sportsbook and iGaming handle increased 21% year-over-year**
- **Structural sportsbook hold percentage increased to 10.5% as parlay handle mix trended higher**
- **Promotional reinvestment declined nearly 200 basis points year-over-year as a percentage of gross gaming revenue**

(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.

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While customer-friendly sport outcomes impacted FY 2024 results, we are raising FY 2025 revenue guidance midpoint and reaffirming our FY 2025 Adj. EBITDA(1) guidance

FY 2024 Results vs. Prior FY 2024 Guidance
$ Millions

	FY 2024 Guidance Provided 11/7/2024(2)	Customer-friendly Sport Outcomes From 11/7/2024 through 12/31/2024	Core Value Drivers	FY 2024 Actual Results
Revenue	**$4,900**	($160)	$28	**$4,768**
Adj. EBITDA(1)	**$260**	($104)	$25	**$181**

FY 2025 Guidance vs. Prior FY 2025 Guidance
$ Millions

	FY 2025 Guidance Provided 11/7/2024(3)	Enhancements to our Live Betting Offering(4)	FY 2025 Guidance Provided 2/13/2025(5)
Revenue	**$6,400**	$50	**$6,450**
Adj. EBITDA(1)	**$950**	$0	**$950**

(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.
(2) Reflects the midpoints of FY 2024 revenue and Adjusted EBITDA guidance that DraftKings provided on November 7, 2024.
(3) Reflects the midpoints of FY 2025 revenue and Adjusted EBITDA guidance that DraftKings provided on November 7, 2024.
(4) The Adjusted EBITDA impact from our live betting enhancements are expected to be negligible as incremental Gross Profit is mostly offset by fixed costs inherited through our acquisition of Simplebet.
(5) Reflects the midpoints of FY 2025 revenue and Adjusted EBITDA guidance that DraftKings provided on February 13, 2025. The Company's guidance for fiscal year 2025 does not include the benefit of year-to-date sport outcomes or the impact of mobile sports betting launching in Missouri.

We are reaffirming FY 2025 Adj. EBITDA[(1)] guidance of $900M to $1.0B

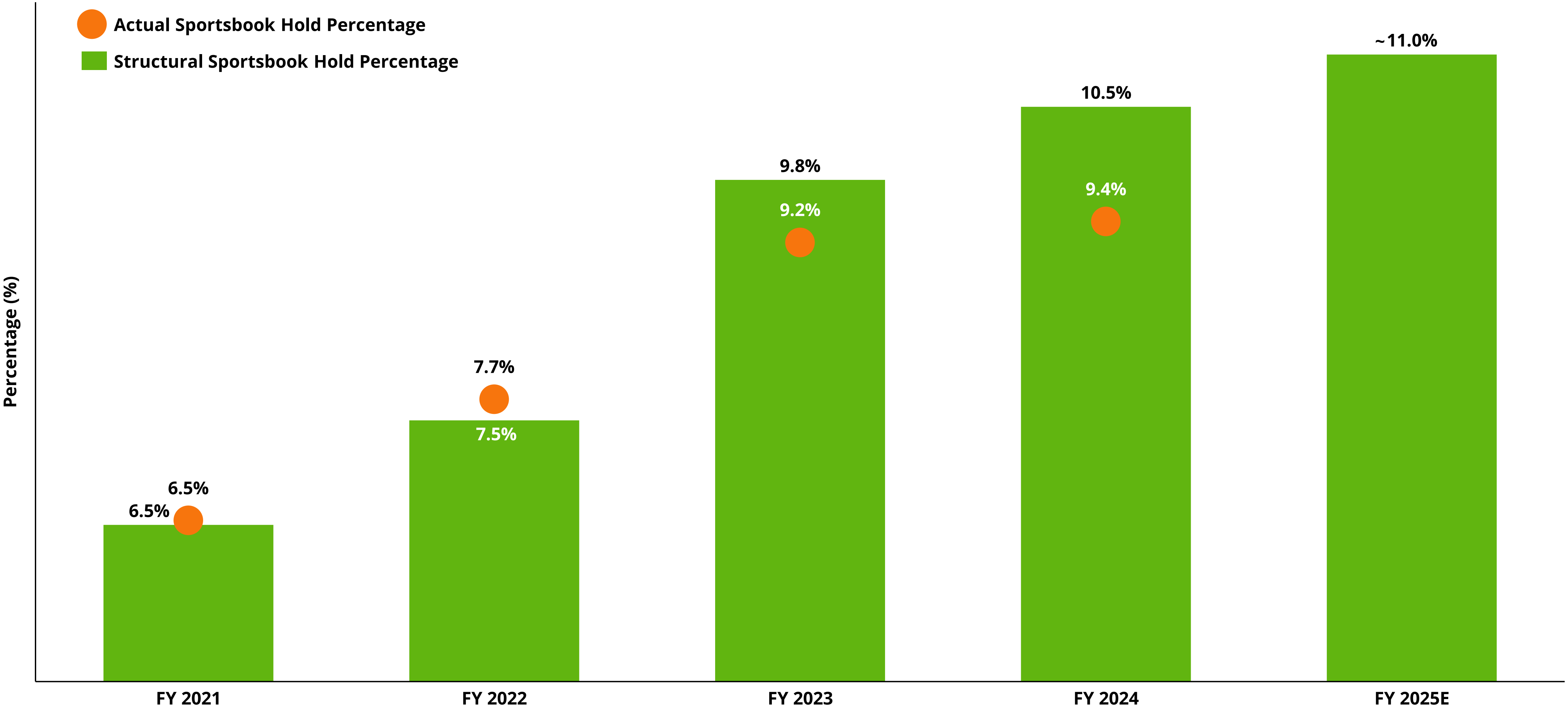
(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.
(2) Reflects customer-friendly sport outcome impacts realized in fiscal year 2024 that we provided May 2, 2024, August 1, 2024, November 7, 2024, and February 13, 2025.

APPENDIX

Our sportsbook handle[1] and sportsbook revenue continue to increase

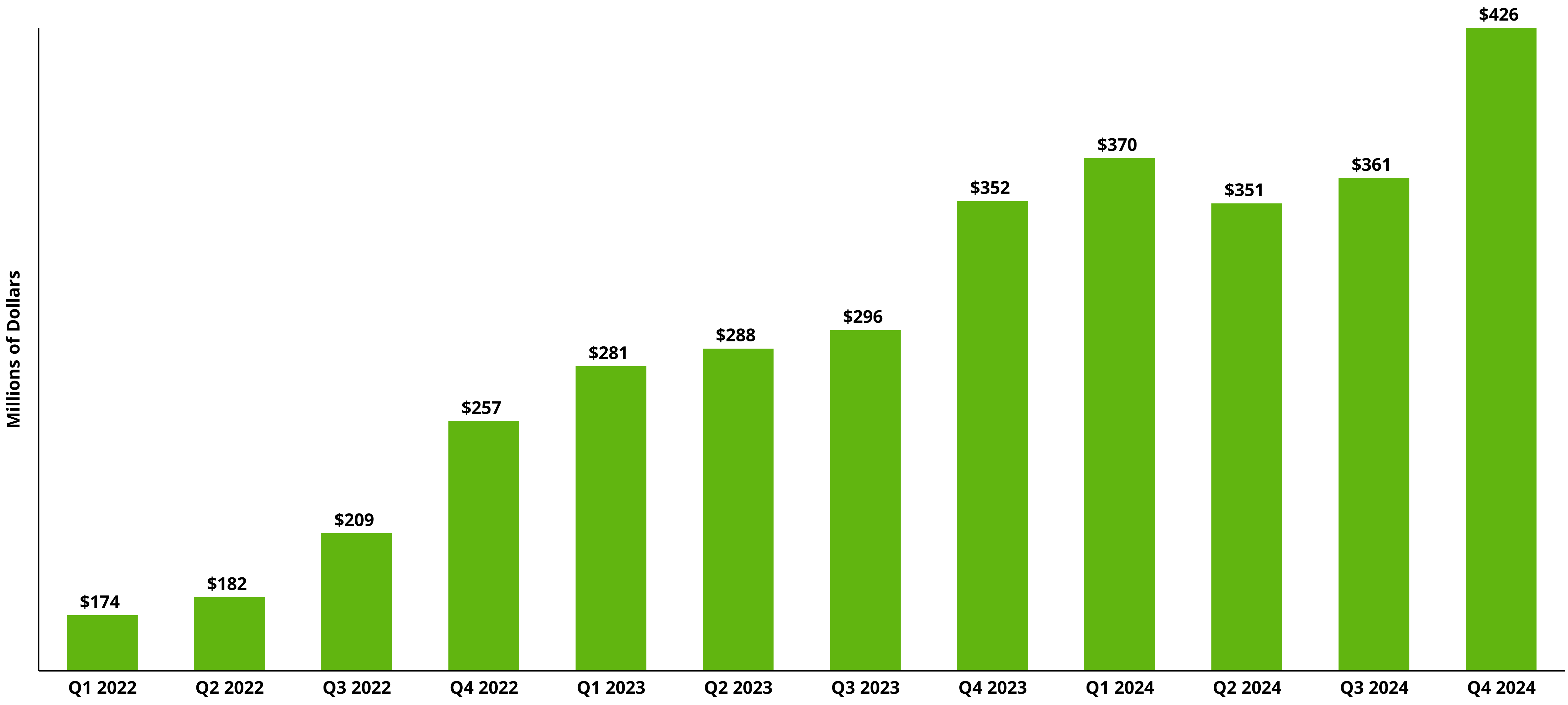
(1) We define Sportsbook Handle as the total amount of settled customer wagers on our Sportsbook product offering.
(2) We define Sportsbook Net Revenue Margin as Sportsbook revenue as a percentage of Sportsbook Handle.

We expect our structural sportsbook hold percentage to continue to increase



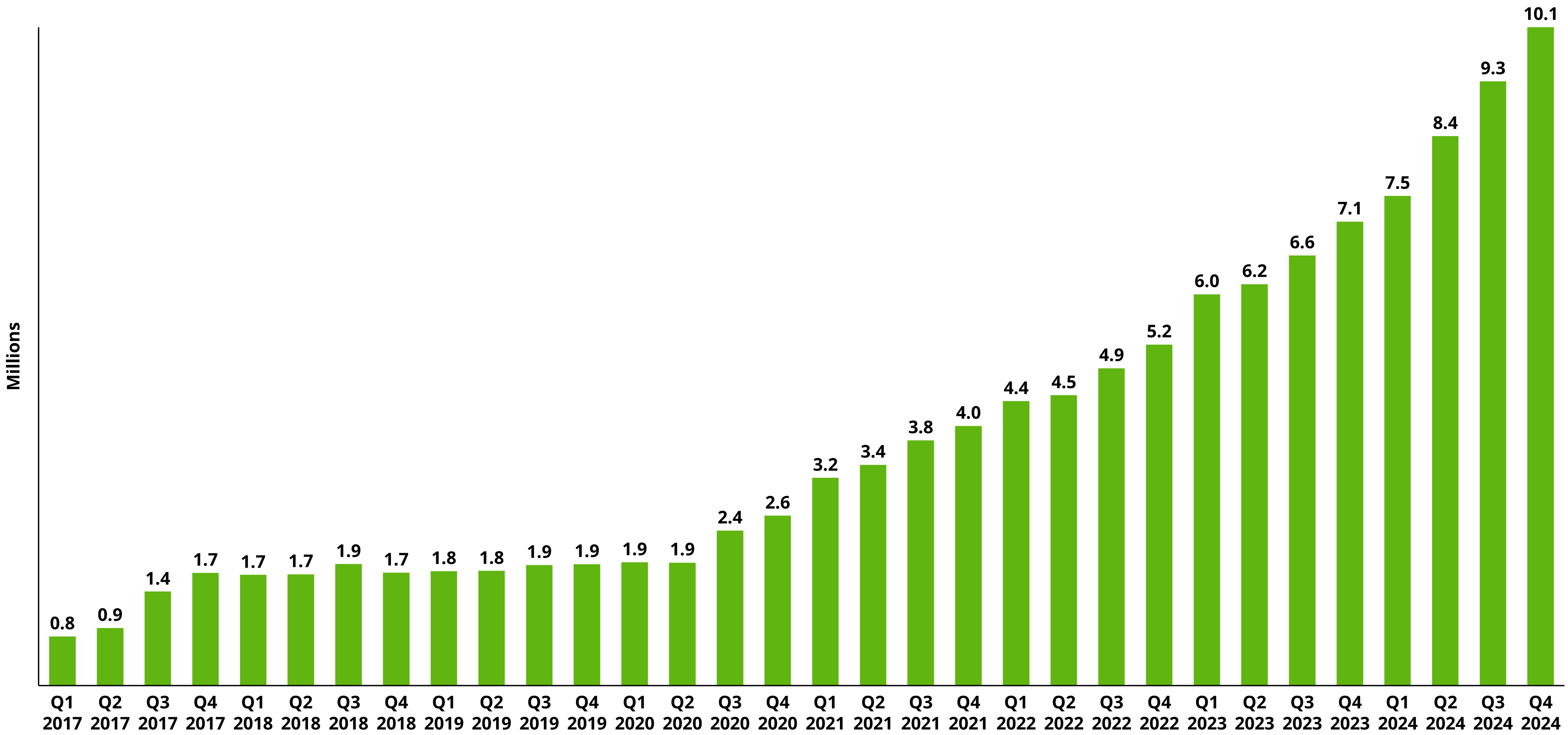
Our iGaming revenue is continuing to grow

iGaming Revenue



The number of unique customers on our platform is rising

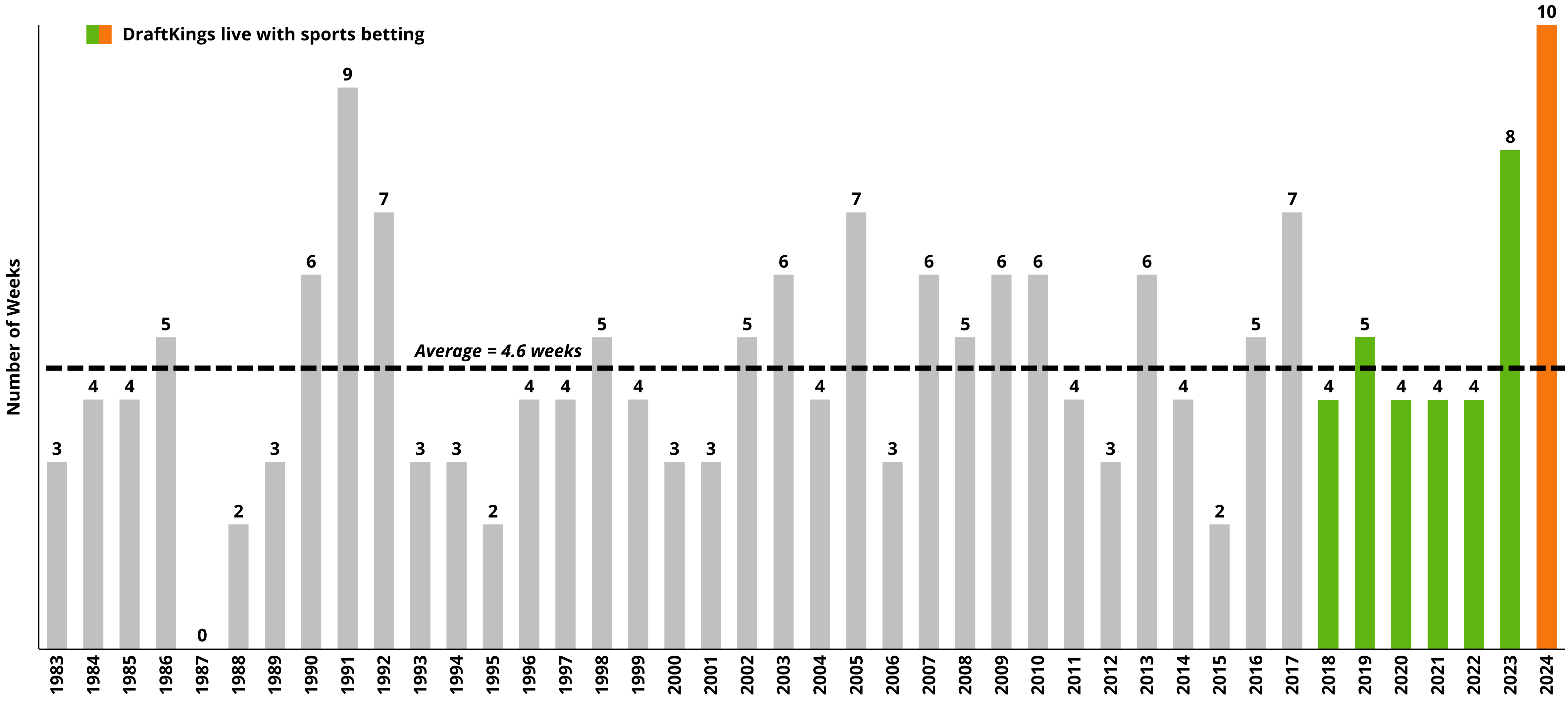
Unique Customers in the Prior Twelve Months(1)



(1) Includes customers who engaged only with the Jackpocket brand (and not the DraftKings or Golden Nugget Online Gaming brands) after DraftKings closed the acquisition of Jackpocket.

Favorites won 75% or more games in 10 weeks during the 2024 NFL regular season

Number of Weeks Favorites Won 75% or More Games, By NFL Regular Season



Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA, Adjusted Operating Expenses, Adjusted Earnings (Loss) Per Share 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 Operating Expenses, Adjusted Earnings (Loss) Per Share 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 Operating Expenses, Adjusted Earnings (Loss) Per Share 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 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. We define and calculate Adjusted Operating Expenses as the sum of sales and marketing expense, product and technology expense, and general and administrative expense before the impact of 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; and other non-recurring and non-operating costs or income. We define and calculate Adjusted Earnings (Loss) Per Share as basic earnings (loss) per share attributable to common stockholders before the impact of amortization of acquired intangible assets; discrete tax benefits attributed to acquisitions; 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 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 these 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 Operating Expenses, Adjusted Earnings (Loss) Per Share 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 and Free Cash Flow guidance to their most directly comparable GAAP financial measures, as applicable, 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 and Free Cash Flow 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 and Free Cash Flow 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 Expenses to Non-GAAP Expenses

GAAP to Non-GAAP Expense Reconciliation
$ Millions

		FY 2024	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24	FY 2023	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
GAAP Expenses											
Cost of Revenue		$2,951	$835	$742	$663	$710	$2,292	$717	$543	$510	$522
Sales and Marketing		$1,265	$369	$340	$216	$341	$1,201	$291	$313	$207	$389
Product and Technology		$397	$112	$104	$93	$89	$355	$88	$89	$90	$88
General and Administrative		$764	$217	$208	$165	$174	$607	$179	$131	$136	$160
Total GAAP Expenses		**$5,377**	**$1,532**	**$1,394**	**$1,137**	**$1,314**	**$4,455**	**$1,275**	**$1,077**	**$944**	**$1,159**
Non-GAAP Expense Adjustments											
Cost of Revenue	(a)	($1)	($0)	($0)	($0)	($1)	($3)	($1)	($1)	($0)	($1)
	(b)	($160)	($39)	($56)	($36)	($29)	($117)	($29)	($29)	($29)	($30)
	(d)	($90)	($23)	($29)	($20)	($18)	($64)	($20)	($16)	($14)	($14)
	(f)	$21	$0	$0	$21	$0	$0	$0	$0	$0	$0
Sales and Marketing	(a)	($37)	($14)	($10)	($8)	($5)	($36)	($10)	($8)	($8)	($11)
	(d)	($4)	($1)	($1)	($1)	($1)	($3)	($1)	($1)	($1)	($1)
Product and Technology	(a)	($96)	($32)	($23)	($24)	($18)	($106)	($31)	($23)	($25)	($28)
	(d)	($9)	($2)	($2)	($2)	($2)	($9)	($2)	($2)	($2)	($2)
General and Administrative	(a)	($248)	($64)	($54)	($59)	($70)	($253)	($72)	($47)	($56)	($78)
	(c)	($26)	($2)	($1)	($19)	($5)	($3)	($2)	($1)	($0)	$0
	(d)	($9)	($2)	($2)	($2)	($3)	($8)	($2)	($2)	($2)	($2)
	(e)	($81)	($41)	($20)	($11)	($9)	($35)	($24)	($4)	($4)	($3)
	(f)	($51)	($10)	($41)	$0	($0)	($0)	($0)	$0	$0	$0
Total Non-GAAP Expense Adjustments		**($790)**	**($229)**	**($240)**	**($160)**	**($161)**	**($638)**	**($195)**	**($133)**	**($142)**	**($168)**
Adjusted Expenses											
Cost of Revenue		$2,720	$773	$657	$628	$662	$2,107	$666	$498	$467	$477
Sales and Marketing		$1,225	$354	$329	$207	$335	$1,161	$280	$305	$199	$378
Product and Technology		$293	$78	$79	$67	$69	$240	$55	$64	$63	$58
General and Administrative		$349	$98	$89	$75	$87	$307	$79	$77	$74	$78
Total Adjusted Expenses		**$4,586**	**$1,303**	**$1,154**	**$976**	**$1,153**	**$3,816**	**$1,080**	**$943**	**$802**	**$991**
Cost of Revenue		($2,720)	($773)	($657)	($628)	($662)	($2,107)	($666)	($498)	($467)	($477)
Total Adjusted Operating Expenses		**$1,866**	**$530**	**$497**	**$349**	**$491**	**$1,709**	**$414**	**$446**	**$335**	**$514**
Acquisition-related Operating Expenses (1)		($68)									
Total Adjusted Operating Expenses, Excl. Acquisition-related Operating Expenses		**$1,799**					**$1,709**				
YoY Growth (%)		5%									

- **(a)** Stock-based compensation expense
- **(b)** Amortization of acquired intangible assets
- **(c)** Transaction expenses
- **(d)** Depreciation & amortization
- **(e)** Litigation
- **(f)** Other

(1) Acquisition-related Operating Expenses include costs directly attributable to acquisitions that closed in 2024.
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

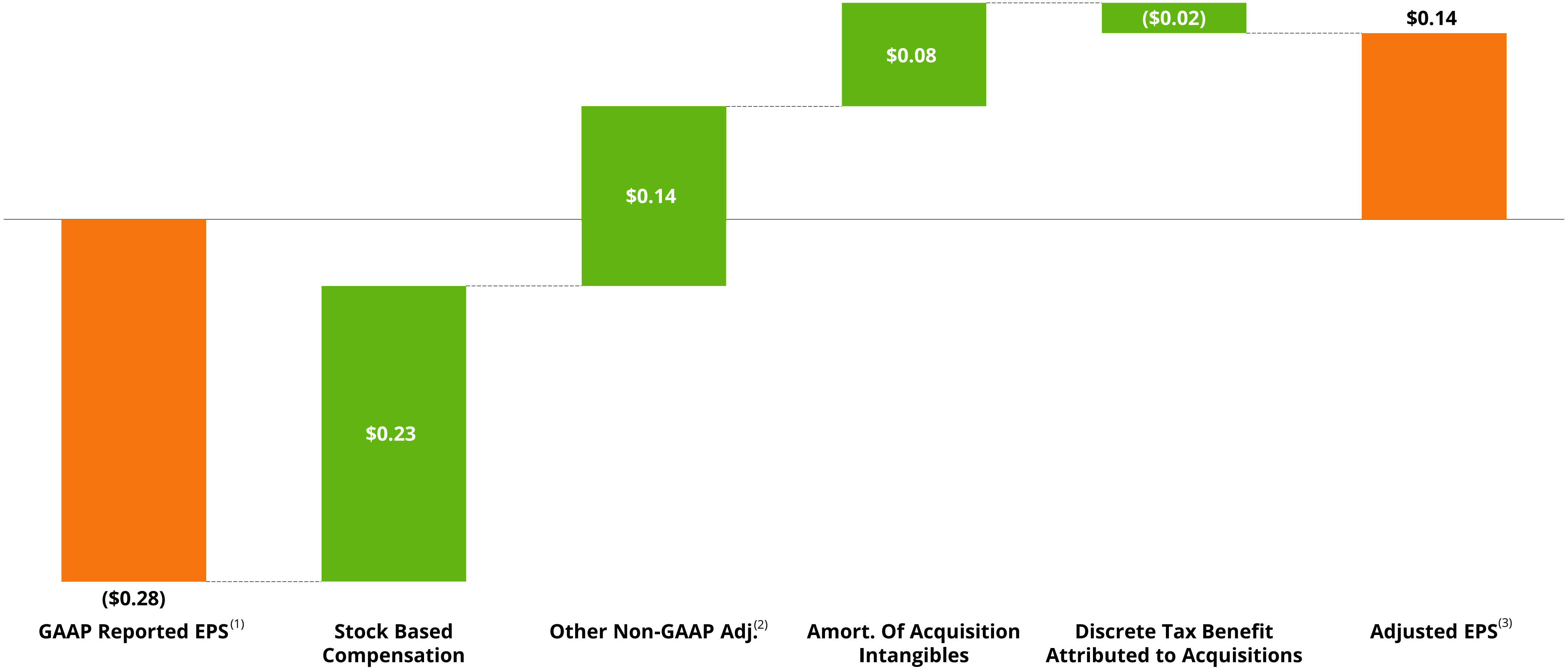
- **Adjusted EBITDA**
  - We define and calculate Adjusted EBITDA as Net Income (Loss) before the impact of interest income or expense (net), income tax provision or benefit, and depreciation and amortization, and further adjusted for the following items: stock-based compensation; transaction-related 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,		Year ended December 31,	
	2024	2023	2024	2023
Revenue	**$ 1,392,772**	**$ 1,230,857**	**$ 4,767,699**	**$ 3,665,393**
Cost of revenue	834,664	716,658	2,950,561	2,292,175
Sales and marketing	368,602	290,775	1,264,920	1,200,718
Product and technology	112,063	88,157	397,114	355,156
General and administrative	216,642	179,076	764,103	606,569
Loss from operations	**(139,179)**	**(43,809)**	**(608,999)**	**(789,225)**
Other income (expense):				
Interest income	8,780	18,792	47,259	58,418
Interest expense	(760)	(688)	(2,959)	(2,679)
(Loss) gain on remeasurement of warrant liabilities	3,337	(12,716)	(4,945)	(57,543)
Other (loss) gain, net	(17,713)	929	(23,514)	(224)
Loss before income tax provision (benefit) and loss from equity method investment	**(145,535)**	**(37,492)**	**(593,158)**	**(791,253)**
Income tax (benefit) provision	(11,133)	6,860	(86,341)	10,170
Loss (income) from equity method investment	449	269	468	719
Net loss attributable to common stockholders	**$ (134,851)**	**$ (44,621)**	**$ (507,285)**	**$ (802,142)**
Adjusted for:				
Depreciation and amortization[(1)]	66,099	55,198	270,854	201,920
Interest (income) expense, net	(8,019)	(18,104)	(44,299)	(55,739)
Income tax (benefit) provision [(2)]	(11,133)	6,860	(86,341)	10,170
Stock-based compensation[(3)]	110,060	113,517	381,367	398,463
Transaction-related costs[(4)]	2,053	1,954	26,386	3,060
Litigation, settlement and related costs[(5)]	40,674	23,910	81,246	34,500
Advocacy and other related legal expenses[(6)]	9,746	-	16,049	-
Loss (gain) on remeasurement of warrant liabilities	(3,337)	12,716	4,945	57,543
Other non-recurring and non-operating (income) costs[(7)]	18,162	(412)	38,385	1,190
Adjusted EBITDA	**$ 89,454**	**$ 151,018**	**$ 181,307**	**$ (151,035)**

(1) The amounts include the amortization of acquired intangible assets of $38.6 million and $29.3 million for the three months ended December 31, 2024 and 2023, respectively, and $159.8 million and $117.3 million for the years ended December 31, 2024 and 2023, respectively.
(2) The Company recorded a discrete income tax benefit of $11.3 million for the three months ended December 31, 2024, and $87.3 million for the year ended December 31, 2024. The benefit was attributable to non-recurring partial releases of the Company's U.S. valuation allowance as a result of the purchase accounting for the acquisition of Jackpocket and Simplebet, Inc. ("Simplebet").
(3) Reflects stock-based compensation expenses resulting from the issuance of awards under incentive plans.
(4) Includes capital markets advisory, consulting, accounting and legal expenses related to the evaluation, negotiation, and consummation of transactions and offerings that are under consideration, pending, or completed, as well as integration costs related to acquisitions.
(5) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to our core business operations.
(6) 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. 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.
(7) Includes the change in fair value of certain financial assets, as well as our equity method share of investee's losses and other costs relating to nonrecurring and non-operating items. For 2024, this amount includes a $12.9 million loss related to the changes in fair value of certain financial instruments as well as $27.8 million in expense related to the discontinuance of our Reignmakers product offering, $7.5 million in expenses related to the termination of a market access agreement, and a $5.8 million loss on the sale of Vegas Sports Information Network, LLC ("VSIN"), offset by $20.9 million received related to gaming tax refunds as a result of audits and appeals related to prior periods.

Non-GAAP Adjusted Basic Earnings (Loss) Per Share Reconciliation

Adjusted Basic Earnings (Loss) Per Share Reconciliation: Three Months Ended December 31, 2024
Dollars



Note: Weighted average number of shares used to calculate adjusted basic earnings (loss) per share for Q4 2024 was 488 million; totals may not sum due to rounding.
(1) Refers to DraftKings' basic earnings (loss) per share attributable to common stockholders calculated and reported in accordance with GAAP.
(2) Includes adjustments for transaction-related costs, litigation, settlement, and related costs, advocacy and other related legal expenses, (gain) loss on remeasurement of warrant liabilities, and other non-recurring and non-operating costs (income).
(3) Adjusted basic earnings (loss) per share is a non-GAAP financial measure.

DraftKings Share Count Detail

Share Count as of December 31, 2024
Thousands

Common Shares Outstanding (31-December-24)	**489,071**
Vested Stock Options @ TSM[(1)]	16,941
Memo: Vested Stock Options	*20,212*
Diluted Shares Outstanding (With Vested Stock Options @ TSM)	**506,012**
DEAC Private Placement Warrants[(2)]	273
GNOG Private Placement Warrants[(3)]	329
Fully Diluted Shares Outstanding	**506,614**

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 12-February-2024 and a weighted average strike price of $8.31 per stock option.
(2) Based on TSM; assumes DraftKings Class A share price as of 12-February-2024 and strike price of $11.50 per warrant.
(3) Based on TSM; assumes DraftKings Class A share price as of 12-February-2024 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,	
	2024(1)	**2023**
Average Monthly Unique Payers ("MUPs") (in millions)	4.8	3.5
Average Revenue per MUP ("ARPMUP") (in whole dollars)	$97	$116

(1) Excluding the impact of DraftKings' acquisition of Jackpocket, average monthly unique payers ("MUPs") increased 16% year-over-year to 4.1 million and average revenue per MUP ("ARPMUP") decreased 4% year-over-year to $111 in the fourth quarter of 2024.