UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_________ to __________.

Commission file number 001-41379

DRAFTKINGS INC.

(Exact name of registrant as specified in its charter)

Nevada	**87-2764212**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

222 Berkeley Street, 5th Floor
Boston, MA 02116
(Address of principal executive offices) (Zip Code)

(617) 986-6744
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report).

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value	**DKNG**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 5, 2026, there were 496,454,048 shares of the registrant's Class A common stock, par value $0.0001 per share, and 393,013,951 shares of the registrant's Class B common stock, par value $0.0001 per share, outstanding.

DraftKings Inc.
Quarterly Report on Form 10-Q
For the Quarter Ended June 30, 2026

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

DRAFTKINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except par value)

	June 30, 2026 (Unaudited)	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 983,882	$ 1,127,545
Restricted cash	8,596	7,601
Cash reserved for users	395,030	469,449
Accounts receivable	82,079	105,577
Prepaid expenses and other current assets	107,436	104,837
Total current assets	**1,577,023**	**1,815,009**
Property and equipment, net	52,726	51,081
Intangible assets, net	837,441	889,201
Goodwill	1,597,647	1,597,647
Operating lease right-of-use assets	76,760	49,810
Equity method investments	30,312	18,938
Deposits and other non-current assets	105,470	109,098
Total assets	**$ 4,277,379**	**$ 4,530,784**
Liabilities and Stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 689,247	$ 785,441
Liabilities to users	840,261	935,001
Operating lease liabilities, current portion	9,735	9,795
Other current liabilities	11,445	25,234
Total current liabilities	**1,550,688**	**1,755,471**
Convertible notes, net of issuance costs	1,260,421	1,259,096
Term B Loan, net of issuance costs	574,574	576,544
Operating lease liabilities	71,279	44,391
Long-term income tax liabilities	100,959	91,618
Other long-term liabilities	150,030	172,203
Total liabilities	**$ 3,707,951**	**$ 3,899,323**
Commitments and contingent liabilities (Notes 5 and 13)		
Stockholders' equity:		
Class A common stock, $0.0001 par value; 900,000 shares authorized as of June 30, 2026 and December 31, 2025; 541,503 and 533,296 shares issued and 495,978 and 495,053 outstanding as of June 30, 2026 and December 31, 2025, respectively	$ 53	$ 52
Class B common stock, $0.0001 par value; 900,000 shares authorized as of June 30, 2026 and December 31, 2025; 393,014 shares issued and outstanding as of June 30, 2026 and December 31, 2025	39	39
Treasury stock, at cost; 45,525 and 38,243 shares as of June 30, 2026 and December 31, 2025, respectively	(1,590,131)	(1,392,433)
Additional paid-in capital	8,607,037	8,424,833
Accumulated deficit	(6,484,058)	(6,437,518)
Accumulated other comprehensive income	36,488	36,488
Total stockholders' equity	**$ 569,428**	**$ 631,461**
Total liabilities and stockholders' equity	**$ 4,277,379**	**$ 4,530,784**

See accompanying notes to unaudited condensed consolidated financial statements.

DRAFTKINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenue	**$ 1,443,235**	**$ 1,512,507**	**$ 3,089,311**	**$ 2,921,313**
Cost of revenue	891,782	854,559	1,841,167	1,698,362
Sales and marketing	322,536	233,187	724,270	576,867
Product and technology	127,649	108,417	250,825	211,677
General and administrative	169,442	165,700	335,376	330,094
Income (loss) from operations	**(68,174)**	**150,644**	**(62,327)**	**104,313**
Other income (expense):				
Interest income (expense), net	(7,434)	665	(13,173)	5,060
Gain (loss) on remeasurement of warrant liabilities	—	(5,851)	—	(3,356)
Other gain (loss), net	3,750	24,459	26,564	24,481
Income (loss) before income tax and equity method investments	**(71,858)**	**169,917**	**(48,936)**	**130,498**
Income tax provision (benefit)	(1,797)	11,790	4,572	6,190
(Gain) loss from equity method investments	(2,451)	191	(6,968)	236
Net income (loss) attributable to common stockholders	**$ (67,610)**	**$ 157,936**	**$ (46,540)**	**$ 124,072**
Earnings (loss) per share attributable to common stockholders:				
Basic	$ (0.14)	$ 0.32	$ (0.09)	$ 0.25
Diluted	$ (0.14)	$ 0.30	$ (0.09)	$ 0.23

See accompanying notes to unaudited condensed consolidated financial statements.

DRAFTKINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Amounts in thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock Amount	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balances at December 31, 2025	**495,053**	**$ 52**	**393,014**	**$ 39**	**$ 8,424,833**	**$ (6,437,518)**	**$ 36,488**	**$ (1,392,433)**	**$ 631,461**
Exercise of stock options	1,773	—	—	—	3,315	—	—	—	3,315
Stock-based compensation	—	—	—	—	72,144	—	—	—	72,144
Purchase of treasury stock for RSU withholding	(1,002)	—	—	—	—	—	—	(24,303)	(24,303)
Restricted stock unit vesting	3,228	1	—	—	—	—	—	—	1
Purchase of treasury stock under Stock Repurchase Program	(3,288)	—	—	—	—	—	—	(98,640)	(98,640)
Net income (loss)	—	—	—	—	—	21,070	—	—	21,070
Balances at March 31, 2026	**495,764**	**$ 53**	**393,014**	**$ 39**	**$ 8,500,292**	**$ (6,416,448)**	**$ 36,488**	**$ (1,515,376)**	**$ 605,048**
Exercise of stock options	107	—	—	—	752	—	—	—	752
Stock-based compensation	—	—	—	—	86,586	—	—	—	86,586
Purchase of treasury stock for RSU withholding	(738)	—	—	—	—	—	—	(19,177)	(19,177)
Shares issued under Employee Stock Purchase Plan	460	—	—	—	9,987	—	—	—	9,987
Restricted stock unit vesting	2,229	—	—	—	—	—	—	—	—
Purchase of treasury stock under Stock Repurchase Program	(2,254)	—	—	—	—	—	—	(55,578)	(55,578)
Shares issued for contingent consideration	410	—	—	—	9,420	—	—	—	9,420
Net income (loss)	—	—	—	—	—	(67,610)	—	—	(67,610)
Balances at June 30, 2026	**495,978**	**$ 53**	**393,014**	**$ 39**	**$ 8,607,037**	**$ (6,484,058)**	**$ 36,488**	**$ (1,590,131)**	**$ 569,428**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock Amount	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balances at December 31, 2024	**489,071**	**$ 48**	**393,014**	**$ 39**	**$ 7,978,425**	**$ (6,441,228)**	**$ 36,488**	**$ (563,146)**	**$ 1,010,626**
Exercise of stock options	1,268	—	—	—	3,396	—	—	—	3,396
Stock-based compensation	—	—	—	—	100,380	—	—	—	100,380
Exercise of warrants	182	—	—	—	8,973	—	—	—	8,973
Purchase of treasury stock for RSU withholding	(1,519)	—	—	—	—	—	—	(74,318)	(74,318)
Restricted stock unit vesting	11,001	—	—	—	—	—	—	—	—
Purchase of treasury stock under Stock Repurchase Program	(3,664)	—	—	—	—	—	—	(142,278)	(142,278)
Net income (loss)	—	—	—	—	—	(33,864)	—	—	(33,864)
Balances at March 31, 2025	**496,339**	**$ 48**	**393,014**	**$ 39**	**$ 8,091,174**	**$ (6,475,092)**	**$ 36,488**	**$ (779,742)**	**$ 872,915**
Exercise of stock options	736	—	—	—	2,908	—	—	—	2,908
Stock-based compensation	—	—	—	—	89,792	—	—	—	89,792
Exercise of warrants	74	—	—	—	2,212	—	—	—	2,212
Purchase of treasury stock for RSU withholding	(780)	—	—	—	—	—	—	(27,534)	(27,534)
Shares issued under Employee Stock Purchase Plan	218	—	—	—	6,900	—	—	—	6,900
Shares issued for contingent consideration	110	—	—	—	4,962	—	—	—	4,962
Restricted stock unit vesting	2,226	—	—	—	—	—	—	—	—
Purchase of treasury stock under Stock Repurchase Program	(2,872)	—	—	—	—	—	—	(100,463)	(100,463)
Net income (loss)	—	—	—	—	—	157,936	—	—	157,936
Balances at June 30, 2025	**496,051**	**$ 48**	**393,014**	**$ 39**	**$ 8,197,948**	**$ (6,317,156)**	**$ 36,488**	**$ (907,739)**	**$ 1,009,628**

See accompanying notes to unaudited condensed consolidated financial statements.

DRAFTKINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash Flows from Operating Activities:		
Net income (loss) attributable to common stockholders	$ (46,540)	$ 124,072
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities:		
Depreciation and amortization	152,003	135,415
Non-cash interest (income) expense, net	2,451	939
Stock-based compensation	147,769	163,547
(Gain) loss on remeasurement of warrant liabilities	—	3,356
(Gain) loss from equity method investments	(6,968)	236
Deferred income taxes	(215)	96
Other non-cash (gain) loss, net	(26,303)	(16,422)
Change in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable	23,498	(11,111)
Prepaid expenses and other current assets	(4,009)	(7,625)
Deposits and other non-current assets	2,220	2,759
Accounts payable and accrued expenses	(95,746)	(98,441)
Liabilities to users	(94,740)	(254,484)
Long-term income tax liability	9,341	7,953
Other long-term liabilities	240	4,615
Net cash flows provided by (used in) operating activities	**$ 63,001**	**$ 54,905**
Cash Flows from Investing Activities:		
Purchases of property and equipment	$ (11,671)	$ (6,963)
Cash paid for internally developed software costs	(75,064)	(60,414)
Cash paid for gaming market access and licenses	(1,992)	(2,234)
Other investing activities	(4,717)	(4,667)
Net cash flows provided by (used in) investing activities	**$ (93,444)**	**$ (74,278)**
Cash Flows from Financing Activities:		
Proceeds from Term B Loan, net	$ —	$ 588,116
Repayment of Term B Loan principal	(3,000)	(1,500)
Purchase of treasury stock for RSU withholding	(43,480)	(101,852)
Purchase of treasury stock under Stock Repurchase Program	(154,218)	(242,741)
Proceeds from exercise of stock options	4,067	6,304
Proceeds from shares issued under Employee Stock Purchase Plan	9,987	6,900
Other financing activities	—	(2,093)
Net cash flows provided by (used in) financing activities	**$ (186,644)**	**$ 253,134**
Net increase (decrease) in cash and cash equivalents, restricted cash, and cash reserved for users	(217,087)	233,761
Cash and cash equivalents, restricted cash, and cash reserved for users at the beginning of period	1,604,595	1,330,193
Cash and cash equivalents, restricted cash, and cash reserved for users at the end of period	**$ 1,387,508**	**$ 1,563,954**
Disclosure of cash and cash equivalents, restricted cash, and cash reserved for users		
Cash and cash equivalents	$ 983,882	$ 1,261,969
Restricted cash	8,596	4,616
Cash reserved for users	395,030	297,369
Cash and cash equivalents, restricted cash, and cash reserved for users at the end of period	**$ 1,387,508**	**$ 1,563,954**
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Decrease in warrant liabilities from cashless exercise of warrants	$ —	$ 11,185
Shares issued for contingent consideration	9,420	4,962
Stock-based compensation capitalized to internally developed software costs	13,553	11,955
Supplemental Disclosure of Cash Activities:		
(Decrease) increase in cash reserved for users	$ (74,419)	$ (228,038)
Cash paid for interest	17,624	9,421
Cash paid for income taxes, net of refunds	2,440	8,186

See accompanying notes to unaudited condensed consolidated financial statements.

DRAFTKINGS INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data, unless otherwise noted)

1. Description of Business

We are a digital sports and gaming company. We provide users with online and retail sports betting (together, "Sportsbook"), online casino ("iGaming"), daily fantasy sports ("Fantasy"), digital lottery courier ("Lottery"), prediction markets ("Prediction Markets") and other offerings.

As of June 30, 2026, 39 U.S. states, the District of Columbia and Puerto Rico have some form of authorized sports betting. Of those 41 jurisdictions, 33 have legalized online sports betting. All 33 jurisdictions are live, and DraftKings operates in 29 of them. As of June 30, 2026, the U.S. jurisdictions with statutes legalizing iGaming are Connecticut, Delaware, Maine, Michigan, New Jersey, Pennsylvania, Rhode Island and West Virginia.

As of June 30, 2026, we operate our Sportsbook offering in Arizona, Arkansas, Colorado, Connecticut, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Tennessee, Vermont, Virginia, Washington, D.C., West Virginia, Wyoming, and Ontario, Canada, and we operate retail sportsbooks in Arizona, Colorado, Connecticut, Illinois, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, New Hampshire, New Jersey, Washington, Wisconsin and Puerto Rico. As of June 30, 2026, we offer our iGaming offering in Connecticut, Michigan, New Jersey, Pennsylvania, West Virginia and Ontario, Canada. We also have arrangements in place with land-based casinos to expand operations into additional states upon the passing of relevant legislation, the issuance of related regulations and the receipt of required licenses.

2. Summary of Significant Accounting Policies and Practices

Basis of Presentation and Principles of Consolidation

These unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and accounting principles generally accepted in the United States ("U.S. GAAP") for interim reporting. As such, certain notes or other information that are normally required by U.S. GAAP have been omitted if they substantially duplicate the disclosures contained in the Company's annual audited consolidated financial statements. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and related notes as of and for the fiscal year ended December 31, 2025, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as filed with the SEC on February 13, 2026 (the "2025 Annual Report"). These condensed consolidated financial statements are unaudited; however, in the opinion of management, they include all normal and recurring adjustments necessary for a fair presentation of the Company's condensed consolidated financial statements for the periods presented. Results of operations reported for interim periods are not necessarily indicative of results for the entire year, due to seasonal fluctuations in the Company's revenue as a result of the timing of various sports seasons, sporting events, and other factors.

All intercompany accounts and transactions are eliminated upon consolidation. Certain amounts, which are not material, in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2024-03, Income Statement–Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), which requires disaggregated disclosure of income statement expenses. ASU 2024-03 does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 is effective for public business entities for annual periods beginning after December 15, 2026, with early adoption permitted. We are currently evaluating the impact of this standard on our disclosure of income statement expenses.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"). ASU 2025-06 changes the accounting for internal-use software under Accounting Standards Codification ("ASC") 350-40. ASU 2025-06 clarifies when to begin capitalizing costs. ASU 2025-06 is effective for interim and annual periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of this standard and do not expect this standard to have a material impact on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements ("ASU 2025-11"). ASU 2025-11 clarifies the applicability of interim reporting guidance and reorganizes and clarifies interim disclosure requirements under ASC 270, Interim Reporting, including the addition of a disclosure principle requiring disclosure of material events occurring since the most recent annual reporting period. ASU 2025-11 is effective for interim reporting periods within annual periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of this standard and do not expect this standard to have a material impact on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements ("ASU 2025-12"). ASU 2025-12 makes targeted amendments to various topics within the Accounting Standards Codification intended to clarify existing guidance and correct minor inconsistencies. ASU 2025-12 is effective for interim and annual reporting periods beginning after December 15, 2026, with early adoption permitted. Certain amendments require retrospective application. We are currently evaluating the impact of this standard and do not expect this standard to have a material impact on our consolidated financial statements.

3. Business Combinations

2025 Business Combinations

Acquisition of Railbird Technologies Inc. ("Railbird")

On October 21, 2025 (the "Railbird Acquisition Date"), the Company entered into a definitive agreement (the "Railbird Merger Agreement") to acquire Railbird and its wholly owned subsidiary Railbird Exchange, LLC, a federally licensed exchange designated by the Commodity Futures Trading Commission (the "Railbird Transaction"). The acquisition provides a foundation for the Company's entrance into Prediction Markets through regulated event contracts.

Under the terms of the Railbird Merger Agreement and subject to certain exclusions contained therein, Railbird equityholders received closing consideration of approximately $18.3 million of cash consideration and approximately $28.7 million of equity consideration on the Railbird Acquisition Date, excluding contingent consideration. The present value of the contingent consideration of $37.8 million at the Railbird Acquisition Date, which is payable upon, and subject to, the achievement of certain performance targets, is included in Other long-term liabilities on the consolidated balance sheet.

Operating results for Railbird on and after the Railbird Acquisition Date are included in the Company's condensed consolidated statements of operations for the six months ended June 30, 2026. The amount of revenue and earnings attributable to the Railbird business from the Railbird Acquisition Date through June 30, 2026, which is included within revenue and loss attributable to common stockholders in the Company's condensed consolidated statements of operations, is not material. Pro forma financial information for the acquisition has not been presented because the impact of this acquisition was immaterial to our consolidated financial statements.

Preliminary Purchase Price Accounting for the Railbird Transaction

On the Railbird Acquisition Date, the Company acquired 100% of the equity interests of Railbird pursuant to the Railbird Merger Agreement. The following is a summary of the consideration issued or paid on the Railbird Acquisition Date:

Cash consideration	$	18,296
Equity consideration (1)		28,708
Contingent consideration (2)		37,785
Total consideration	**$**	**84,789**

(1) Includes the issuance of approximately 0.9 million shares of DraftKings Inc.'s Class A common stock issued at $33.62 per share.

(2) The Company recorded a fair value estimate of the contingent consideration, as disclosed in "Note 6 – Fair Value Measurements". Contingent payments have a maximum value of up to $200 million, 47.5% of which will be contingent consideration and 52.5% of which will be recorded as compensation under ASC 805, Business Combinations. The payments will be settled, at the Company's option, in shares of the Company's Class A common stock or in a combination of shares of the Company's Class A common stock and cash; provided that, for each Railbird equityholder that is an accredited investor, shares of the Company's Class A common stock will represent at least 70% of the contingent consideration such equityholder receives. The Company's Class A common stock to be issued as contingent payment will be valued on the basis of a 30-day volume-weighted average price of the Company's Class A common stock determined at or around the issuance thereof based on certain post-closing performance metrics.

The purchase price allocation for Railbird set forth herein is preliminary and subject to change within the measurement period, which will not extend beyond one year from the Railbird Acquisition Date. Measurement period adjustments will be recognized in the reporting period in which the adjustment amounts are determined and may include adjustments pertaining to intangible assets acquired and tax liabilities assumed, including the calculation of deferred tax assets and liabilities. Any such adjustments may be material.

The following table summarizes the preliminary fair value of the assets acquired and liabilities assumed in connection with the consummation of the Railbird Transaction on the Railbird Acquisition Date. The values set forth below are preliminary, pending finalization of valuation analyses:

Assets acquired:		
Cash and cash equivalents	$	181
Restricted cash		1,734
Intangible assets		58,090
Deposits and other non-current assets		6
Total identifiable assets acquired		**60,011**
Liabilities assumed:		
Accounts payable and accrued expenses		52
Other long-term liabilities		15,365
Total liabilities assumed		**15,417**
Net assets acquired (a)		**44,594**
Purchase consideration (b)	**$**	**84,789**
Goodwill (b) – (a)	**$**	**40,195**

Goodwill represents the excess of the gross consideration transferred over the difference between the fair value of the underlying net assets acquired and the underlying liabilities assumed. Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets apart from goodwill. Intangible assets not recognized apart from goodwill consist primarily of benefits from securing buyer-specific synergies that increase revenue and profits and are not otherwise available to a market participant, as well as acquiring a talented workforce and cost savings opportunities. Goodwill recognized is not deductible for tax purposes. Goodwill associated with the Railbird Transaction is assigned as of the Railbird Acquisition Date to the Company's prediction markets reporting unit, which was established in 2025 as a result of the launch of our Prediction Markets offering.

The Company recorded an intangible asset for an operating license of $58.1 million that will be amortized over four years. We valued the operating license by using the income approach, specifically the with-and-without method, which isolates the cash flows attributable to the asset. The process for estimating the fair values of identifiable intangible assets requires the use of significant estimates and assumptions, including revenue growth rates and discount rates. We amortize definite-lived assets based on the pattern over which we expect to receive the economic benefit from these assets.

Transaction Costs

For the year ended December 31, 2025, the Company incurred $5.5 million in advisory, legal, accounting and management fees in connection with the Railbird Transaction, which were included in general and administrative expenses on the Company's consolidated statements of operations. We did not incur any such costs in the three and six months ended June 30, 2026 or June 30, 2025.

4. Intangible Assets

As of June 30, 2026, intangible assets, net consists of the following:

	Weighted-Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:				
Developed technology	3.0 years	$ 586,082	$ (378,726)	$ 207,356
Internally developed software	2.3 years	558,471	(304,042)	254,429
Gaming market access and licenses	6.6 years	288,824	(114,611)	174,213
Customer relationships	5.0 years	344,000	(164,244)	179,756
Trademarks, tradenames and other	4.6 years	38,890	(17,203)	21,687
Total		**$ 1,816,267**	**$ (978,826)**	**$ 837,441**

As of December 31, 2025, intangible assets, net consists of the following:

	Weighted-Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:				
Developed technology	3.4 years	$ 586,409	$ (338,358)	$ 248,051
Internally developed software	2.3 years	475,814	(254,285)	221,529
Gaming market access and licenses	6.7 years	287,524	(91,575)	195,949
Customer relationships	5.5 years	344,000	(144,326)	199,674
Trademarks, tradenames and other	5.1 years	43,120	(19,122)	23,998
Total		**$ 1,736,867**	**$ (847,666)**	**$ 889,201**

Amortization expense was $75.3 million and $142.0 million for the three and six months ended June 30, 2026, respectively, and $60.8 million and $126.5 million for the three and six months ended June 30, 2025, respectively.

5. Current and Long-term Liabilities

Credit Agreement

On November 7, 2024, the Company entered into a credit agreement (as amended, the “Credit Agreement”) with various financial institutions, as lenders, and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent, providing for a senior secured revolving credit facility of up to $500.0 million (the “Revolving Credit Facility”). The Revolving Credit Facility has a maturity date of November 7, 2029.

Revolving loans under the Revolving Credit Facility bear interest at the Company’s election at either (i) Term SOFR (as defined in the Credit Agreement), plus an applicable margin ranging from 1.75% to 2.25% depending on the Company’s Net First Lien Leverage Ratio (as defined in the Credit Agreement) or (ii) a base rate that is equal to the greatest of (a) the federal funds rate plus 0.50%, (b) the prime rate and (c) Term SOFR for a one month interest period plus 1.00%, in each case plus an additional applicable margin ranging from 0.75% to 1.25% depending on the Company’s Net First Lien Leverage Ratio. In addition, the Company is required to pay a commitment fee quarterly in arrears ranging from 0.25% to 0.375% per annum of the unused portion of the Revolving Credit Facility depending on the Company’s Net First Lien Leverage Ratio. As of June 30, 2026, the Credit Agreement provided a Revolving Credit Facility of up to $500.0 million, and there was no principal outstanding thereunder. As of June 30, 2026, $11.9 million in letters of credit were issued under the Revolving Credit Facility, with $488.1 million available for borrowing.

On March 4, 2025, the Company entered into a first amendment to the Credit Agreement, providing for a new class of incremental term loans under the Credit Agreement in an aggregate principal amount of $600.0 million (the “Term B Facility” and, such term loans, the “Term B Loan”). The Term B Facility matures on March 4, 2032, and all unpaid borrowings, together with accrued and unpaid interest thereon, are repayable on such date (unless extended in accordance with the terms of the Credit Agreement). In addition, 1.00% of the aggregate outstanding principal amount of the Term B Loan is payable per annum in quarterly installments. In connection with the borrowing of the Term B Loan, the Company incurred $11.9 million of lender fees and $3.1 million of debt financing costs, which are being amortized through the maturity date. The amortization of debt issuance costs was $0.5 million and $1.0 million for the three and six months ended June 30, 2026, respectively, and $0.5 million and $0.7 million for the three and six months ended June 30, 2025, respectively, which is included in Interest income (expense), net on the Company's condensed consolidated statements of operations.

The Term B Loan under the Term B Facility bears interest at the Company's election at either (x) in the case of Term SOFR Loans, Term SOFR plus an applicable margin of 1.75% per annum, or (y) in the case of ABR Term Loans, ABR plus an applicable margin of 0.75% per annum (with each of the capitalized terms used in clauses (x) and (y) as defined in the Credit Agreement). As of June 30, 2026, the aggregate principal amount of the Term B Loan outstanding was $592.5 million, which bore interest at a weighted-average rate of 5.39% per annum. As of June 30, 2026, the fair value of the Term B Loan approximates the carrying value, which was calculated using quoted market prices for similar debt instruments and other observable market inputs, which is a Level 2 fair value measurement.

The performance of the Company's obligations under the Credit Agreement is secured by a first-priority security interest on substantially all of its assets. The Credit Agreement contains customary representations and warranties and affirmative and negative covenants, including dividend restrictions, a public corporate credit rating requirement for so long as any Term B Loans are outstanding, and, with respect to the Revolving Credit Facility only, a financial covenant that the Company is required to maintain a Net First Lien Leverage Ratio not to exceed 4.50:1.00, which is tested only if the aggregate amount of (i) revolving loans outstanding and (ii) letters of credit outstanding under the Revolving Credit Facility in excess of a specified threshold (unless cash collateralized) is in excess of 40% of the total commitments under the Revolving Credit Facility. As of June 30, 2026, the Company was not required to test the covenant as the aggregate amount of the revolving loans outstanding and the letters of credit outstanding did not exceed 40% of the total commitments under the Revolving Credit Facility.

Convertible Notes and Capped Call Transactions

In March 2021, DraftKings Holdings Inc. (formerly DraftKings Inc.), a Nevada corporation ("Old DraftKings"), issued zero-coupon convertible senior notes in an aggregate principal amount of $1,265.0 million, which includes proceeds from the full exercise of the over-allotment option (collectively, the "Convertible Notes"). The Convertible Notes will mature on March 15, 2028 (the "Notes Maturity Date"), subject to earlier conversion, redemption or repurchase. In connection with the issuance of the Convertible Notes, Old DraftKings incurred $17.0 million of lender fees and $1.7 million of debt financing costs, which are being amortized through the Notes Maturity Date. The amortization of debt issuance costs was $0.7 million and $1.3 million for the three and six months ended June 30, 2026, respectively, and $0.7 million and $1.3 million for the three and six months ended June 30, 2025, respectively, which is included in Interest income (expense), net on the Company's condensed consolidated statements of operations. The Convertible Notes represent senior unsecured obligations of Old DraftKings. The related debt issuance costs are being amortized through the Notes Maturity Date.

The Convertible Notes are convertible at an initial conversion rate of 10.543 shares of DraftKings Inc.'s Class A common stock per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately $94.85 per share of DraftKings Inc.'s Class A common stock. The conversion rate is subject to adjustment upon the occurrence of certain specified events and includes a make-whole adjustment upon early conversion in connection with a make-whole fundamental change (as defined in the indenture governing the Convertible Notes). Since the issuance of the Convertible Notes, there have been no changes to the initial conversion price.

Prior to September 15, 2027, the Convertible Notes will be convertible by the holder only upon satisfaction of certain conditions and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the Notes Maturity Date. Old DraftKings will satisfy any conversion election by paying or delivering, as the case may be, cash, shares of DraftKings Inc.'s Class A common stock or a combination of cash and shares of DraftKings Inc.'s Class A common stock. As of June 30, 2026, no conditions were met to allow for the conversion of the Convertible Notes by any holder.

In connection with the pricing of the Convertible Notes and the exercise of the over-allotment option to purchase additional notes, Old DraftKings entered into privately negotiated capped call transactions (the "Capped Call Transactions"). The Capped Call Transactions have a strike price of $94.85 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Convertible Notes. The Capped Call Transactions have an initial cap price of $135.50 per share, subject to certain adjustments. The Capped Call Transactions are expected generally to reduce potential dilution to DraftKings Inc.'s Class A common stock upon any conversion of Convertible Notes. As the transaction qualifies for equity classification, the net cost of $124.0 million incurred in connection with the Capped Call Transactions was recorded as a reduction to additional paid-in capital on the Company's condensed consolidated balance sheets.

As of June 30, 2026, the Company's convertible debt balance was $1,260.4 million, net of unamortized debt issuance costs of $4.6 million. Although recorded at amortized cost on the Company's condensed consolidated balance sheets, the estimated fair value of the Convertible Notes was $1,177.5 million and $1,158.7 million as of June 30, 2026 and December 31, 2025, respectively, which was calculated using the estimated or actual bids and offers of the Convertible Notes in an over-the-counter market on the last business day of the period, which is a Level 1 fair value measurement.

As of June 30, 2026, the future principal payments for the Term B Loan and Convertible Notes were as follows:

	Years Ending December 31,
July 1, 2026 to December 31, 2026	$ 2,959
2027	5,874
2028	1,270,815
2029	5,757
2030	5,700
Thereafter	566,432
Total	**$ 1,857,537**

Indirect Taxes

Taxation of e-commerce is becoming more prevalent and could negatively affect the Company's business as it primarily pertains to Fantasy and its contestants. The ultimate impact of indirect taxes on the Company's business is uncertain, as is the period required to resolve this uncertainty. The Company's estimated contingent liability for indirect taxes represents the Company's best estimate of tax liability in jurisdictions in which the Company believes taxation is probable. The Company frequently reevaluates its tax positions for appropriateness.

Indirect tax statutes and regulations are complex and subject to differences in application and interpretation. Tax authorities may impose indirect taxes on Internet-delivered activities based on statutes and regulations which, in some cases, were established prior to the advent of the Internet and do not apply with certainty to the Company's business. The Company's estimated contingent liability for indirect taxes may be materially impacted by future audit results, litigation and settlements, should they occur. The Company's activities by jurisdiction may vary from period to period, which could result in differences in the applicability of indirect taxes from period to period.

As of June 30, 2026 and December 31, 2025, the Company's estimated contingent liability for indirect taxes was $90.5 million and $90.1 million, respectively. The estimated contingent liability for indirect taxes is recorded within other long-term liabilities on the condensed consolidated balance sheets and general and administrative expenses on the condensed consolidated statements of operations.

6. Fair Value Measurements

Certain assets and liabilities are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value and nonrecurring fair value measurements are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The following tables set forth the fair value of the Company's financial assets and liabilities measured at fair value as of June 30, 2026 and December 31, 2025 based on the three-tier fair value hierarchy:

	June 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash equivalents:				
Money market funds	$ 107,390	$ —	$ —	$ 107,390
Other non-current assets:				
Derivative instruments	$ —	$ —	$ 7,059 (2)	$ 7,059
Equity securities	—	9,127 (1)	—	9,127
Total	**$ 107,390**	**$ 9,127**	**$ 7,059**	**$ 123,576**
Liabilities				
Other current liabilities	$ —	$ —	$ 245 (3)	$ 245
Other long-term liabilities	—	—	35,441 (3)	35,441
Total	**$ —**	**$ —**	**$ 35,686**	**$ 35,686**

	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash equivalents:				
Money market funds	$ 184,212	$ —	$ —	$ 184,212
Other non-current assets:				
Derivative instruments	$ —	$ —	$ 7,059 (2)	$ 7,059
Equity securities	—	9,127 (1)	—	9,127
Total	**$ 184,212**	**$ 9,127**	**$ 7,059**	**$ 200,398**
Liabilities				
Other current liabilities	$ —	$ —	$ 14,900 (3)	$ 14,900
Other long-term liabilities	—	—	59,534 (3)	59,534
Total	**$ —**	**$ —**	**$ 74,434**	**$ 74,434**

(1) Represents the Company's non-marketable equity securities, which are classified as Level 2 because the Company measures these assets to fair value using observable inputs for similar investments of the same issuer. The Company has elected the remeasurement alternative for these assets.

(2) Represents the Company's derivative instruments held in other public and privately held entities. The Company measures these derivative instruments to fair value using option pricing models and, accordingly, classifies these assets as Level 3. There were no new Level 3 derivative instruments sold, purchased by or issued to the Company during the six months ended June 30, 2026. The table below includes a range and an average weighted by relative fair value of the significant unobservable inputs used to measure these Level 3 derivative instruments to fair value. The key inputs to the valuations are underlying stock price, volatility and risk free rate. A change in these significant unobservable inputs might result in a significantly higher or lower fair value measurement at the reporting date. Changes to fair value of these instruments are recorded in Other gain (loss), net on the condensed consolidated statements of operations.

(3) Represents the contingent consideration issuable to former Sports IQ Analytics Inc. ("SIQ"), Dijon Systems Limited ("Dijon"), Simplebet, Inc. ("Simplebet") and Railbird equityholders in connection with the acquisition of SIQ, acquisition of Dijon, acquisition of Simplebet and the Railbird Transaction, respectively, upon the achievement of certain performance targets. The fair value of contingent consideration was generally calculated using customary valuation models based on probability-weighted outcomes of meeting certain future performance targets and forecasted results. The Company classified the contingent consideration liabilities as a Level 3 fair value measurement due to the lack of observable inputs used in the model. The key inputs to the valuations are the projections of future financial results in relation to the business,

revenue risk premium, revenue volatility, and operational leverage ratio as well as management judgment regarding the probability of achieving a future performance target. The table below includes a range and an average weighted by relative fair value of the significant unobservable inputs used to measure contingent consideration at fair value. A change in these significant unobservable inputs might result in a significantly higher or lower fair value measurement at the reporting date. Changes to fair value of these instruments are recorded in Other gain (loss), net on the condensed consolidated statements of operations.

	June 30, 2026	December 31, 2025
Significant Unobservable Inputs of Level 3 Investments	**Range (Weighted Average)**	**Range (Weighted Average)**
Revenue volatility	10.6% - 19.8% (18.4%)	10.6% - 17.3% (15.3%)
Equity volatility	45.0% - 56.6% (53.2%)	45.0% - 54.2% (51.0%)
Operational leverage ratio	35.0% - 75.0% (38.4%)	61.0% - 75.0% (65.4%)

The following table provides a roll forward of the recurring Level 3 fair value liability measurements:

	2026	2025
Opening Balance at January 1	**$ 74,434**	**$ 77,965**
Fair value adjustment to contingent consideration liabilities	(28,696)	(20,096)
Settlement of contingent consideration liabilities	(10,052)	(3,300)
Balance at June 30	**$ 35,686**	**$ 54,569**

7. Revenue Recognition

Deferred Revenue

The Company includes deferred revenue within accounts payable and accrued expenses and liabilities to users in the condensed consolidated balance sheets. The deferred revenue balances were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Deferred revenue, beginning of the period	$ 131,726	$ 133,700	$ 174,750	$ 166,463
Deferred revenue, end of the period	$ 149,015	$ 116,258	$ 149,015	$ 116,258
Revenue recognized in the period from amounts included in deferred revenue at the beginning of the period	$ 109,236	$ 114,776	$ 171,618	$ 154,413

Deferred revenue primarily represents contract liabilities related to the Company's obligation to transfer future value in relation to in-period transactions in which the Company has received consideration. These obligations are primarily related to incentive programs and wagered amounts associated with unsettled or pending outcomes that fluctuate based on the volume of activity. Such obligations are recognized as liabilities when awarded to users and are recognized as revenue when those liabilities are later resolved, often within the following period.

Revenue Disaggregation

We disaggregate revenue from contracts with customers by Sports (as defined below), iGaming and Other (as defined below), as we believe it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Disaggregation of revenue for the three and six months ended June 30, 2026 and 2025 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sports	$ 891,883	$ 997,872	$ 1,986,436	$ 1,879,829
iGaming	461,930	429,660	923,230	853,131
Other	89,422	84,975	179,645	188,353
Total Revenue	**$ 1,443,235**	**$ 1,512,507**	**$ 3,089,311**	**$ 2,921,313**

Sports revenue includes online sportsbook, retail sportsbook, and Prediction Markets revenue. Other revenue primarily includes Fantasy, Lottery and interest income on customer deposits. The opening and closing balances of the Company's accounts receivable from contracts with customers were $105.6 million and $82.1 million for the six months ended June 30, 2026, respectively, and $57.8 million and $69.0 million for the six months ended June 30, 2025, respectively.

8. Stock-Based Compensation

The Company has historically issued three types of stock-based compensation: time-based awards, long-term incentive plan ("LTIP") awards and performance-based stock compensation plan ("PSP") awards. Time-based awards are equity awards that tie vesting to length of service with the Company and generally vest over a four-year period in annual and/or quarterly installments. LTIP awards are performance-based equity awards that are used to establish longer-term performance objectives and incentivize management to meet those objectives. PSP awards are performance-based equity awards which establish performance objectives related to one or two particular fiscal years. LTIP awards generally vest when revenue and/or Adjusted EBITDA targets are achieved, among other conditions, while PSP awards generally vest upon achievement of revenue and/or Adjusted EBITDA targets and have a range of payouts, among other conditions. All stock-based compensation awards expire seven to ten years after the grant date thereof.

The following table shows restricted stock unit ("RSU") and stock option activity for the six months ended June 30, 2026:

	Options	RSUs			Total	Weighted Average Exercise Price of Options	Weighted Average Fair Market Value of RSUs
		Time-Based	PSP	LTIP			
Outstanding at December 31, 2025	**18,006**	**13,584**	**7,866**	**409**	**39,865**	**$ 10.03**	**$ 31.16**
Granted	—	12,542	6,217	—	18,759	—	23.39
Exercised options / vested RSUs	(1,880)	(4,669)	(584)	(204)	(7,337)	2.11	29.07
Change in awards due to performance multiplier	—	—	(76)	—	(76)	—	21.76
Forfeited	(255)	(982)	(76)	(21)	(1,334)	57.35	31.46
Outstanding at June 30, 2026	**15,871**	**20,475**	**13,347**	**184**	**49,877**	**$ 10.20**	**$ 27.20**

As of June 30, 2026, total unrecognized stock-based compensation expense of $676.0 million related to granted, and unvested, stock-based compensation arrangements is expected to be recognized over a weighted-average period of 2.8 years. The following table shows stock-based compensation expense for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026			Three Months Ended June 30, 2025		
	Options	RSUs	Total	Options	RSUs	Total
Time-Based (1)	$ 1,369	$ 55,790	$ 57,159	$ 1,964	$ 54,629	$ 56,593
PSP (2)	—	25,284	25,284	—	28,045	28,045
LTIP (2)	—	111	111	—	63	63
Total	**$ 1,369**	**$ 81,185**	**$ 82,554**	**$ 1,964**	**$ 82,737**	**$ 84,701**

	Six Months Ended June 30, 2026			Six Months Ended June 30, 2025		
	Options	RSUs	Total	Options	RSUs	Total
Time-Based (1)	$ 4,192	$ 110,618	$ 114,810	$ 3,900	$ 97,321	$ 101,221
PSP (2)	—	32,734	32,734	—	61,215	61,215
LTIP (2)	—	225	225	—	1,111	1,111
Total	**$ 4,192**	**$ 143,577**	**$ 147,769**	**$ 3,900**	**$ 159,647**	**$ 163,547**

(1) Time-based awards vest and are expensed over a defined service period.
(2) PSP and LTIP awards vest based on defined performance criteria and are expensed based on the probability of achieving such criteria.

9. Income Taxes

The Company's income tax provision (benefit) for the three and six months ended June 30, 2026 and 2025 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income tax provision (benefit)	$ (1,797)	$ 11,790	$ 4,572	$ 6,190

The effective tax rates for the three months ended June 30, 2026 and 2025 were 2.5% and 6.9%, respectively, and the effective tax rates for the six months ended June 30, 2026 and 2025 were negative 9.3% and 4.7%, respectively. The difference between the Company's effective tax rates for the three and six months ended June 30, 2026 and 2025 and the U.S. statutory tax rate of 21% was primarily due to a valuation allowance related to the Company's deferred tax assets, offset partially by current state tax and current foreign tax. The Company regularly evaluates the realizability of its deferred tax assets and establishes a valuation allowance if it is more likely than not that some or all of the deferred tax assets will not be realized.

10. Segment Information

The Company has one consolidated reportable segment. This segment provides users with Sportsbook, iGaming, Fantasy, Lottery, Prediction Markets, and other online offerings as well as the design, development and licensing of sports betting and casino gaming software for its Sportsbook and iGaming offerings. The Company drives revenue primarily in North America and manages the business activities on a consolidated basis.

The determination of reportable operating segments is based on the Chief Operating Decision Maker's ("CODM") use of financial information provided for the purposes of assessing performance and making operating decisions. The Company's CODM is its Co-founder and Chief Executive Officer. The CODM uses net income (loss) to allocate resources and assess the performance of the Company by comparing actual results to historical results and previously forecasted financial information and the allocation of budget among cost of revenues, sales and marketing, product and technology, and general and administrative expenses. The measure of segment assets is reported on the condensed consolidated balance sheets as Total assets.

The accounting policies of the Company's consolidated segment are the same as those described in "Note 2 – Summary of Significant Accounting Policies and Practices." Any intercompany revenues or expenses are eliminated in consolidation.

The following table presents revenue, significant expenses, and net income (loss) for our consolidated segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total revenue	**$ 1,443,235**	**$ 1,512,507**	**$ 3,089,311**	**$ 2,921,313**
Less:				
Cost of revenue: Gaming taxes	519,646	501,929	1,089,177	985,332
Cost of revenue: Other (1)	296,816	291,736	610,012	586,345
Adjusted sales and marketing expenses (2)	310,970	222,898	702,452	556,096
Adjusted product and technology expenses (2)	100,090	87,556	197,707	175,009
Adjusted general and administrative expenses (2)	101,116	107,744	207,514	215,257
Depreciation and amortization	80,342	65,299	152,003	135,415
Interest (income) expense, net	7,434	(665)	13,173	(5,060)
Stock-based compensation	82,554	84,701	147,769	163,547
Income tax provision (benefit)	(1,797)	11,790	4,572	6,190
Other segment items (3)	13,674	(18,417)	11,472	(20,890)
Consolidated net income (loss)	**$ (67,610)**	**$ 157,936**	**$ (46,540)**	**$ 124,072**

(1) Cost of revenue: Other includes all cost of revenue, other than gaming tax, presented in the condensed consolidated statements of operations, adjusted for the impact of depreciation and amortization and stock-based compensation.
(2) These items represent the respective line items in the condensed consolidated statements of operations, adjusted for the impact of depreciation and amortization; stock-based compensation; transaction-related costs; certain litigation, settlement and related costs; certain advocacy and other related legal expenses; and other expenses, as further described below.
(3) Other segment items include: (i) transaction-related costs; (ii) certain external legal costs related to litigation and litigation settlement costs deemed unrelated to our ordinary-course business operations; (iii) certain costs relating to advocacy efforts and other legal expenses in jurisdictions where we do not operate certain offerings and are actively seeking licensure, or similar approval, for those offerings, excluding 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 costs relating to advocacy efforts and other legal expenses incurred in jurisdictions where related legislation has been passed and we currently operate; (iv) (gain) loss on remeasurement of warrant liabilities; (v) (gain) loss from equity method investments and (vi) other items not associated with our primary offerings, such as gains or losses on contingent consideration, gains or losses on business disposals and termination-related expenses.

11. Earnings (Loss) Per Share

The computation of earnings (loss) per share and weighted-average shares of the Company's Class A common stock outstanding for the periods presented are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income (loss) attributable to common stockholders – basic	$ (67,610)	$ 157,936	$ (46,540)	$ 124,072
Loss (gain) on remeasurement of contingent consideration	—	(990)	—	(1,483)
Net income (loss) attributable to common stockholders – diluted	$ (67,610)	$ 156,946	$ (46,540)	$ 122,589
Denominator:				
Weighted-average Class A common stock shares outstanding – basic	496,089	496,517	495,234	494,945
Weighted-average diluted impact of options and RSUs (1)	—	19,578	—	21,109
Weighted-average diluted impact of contingent consideration (1)	—	—	—	—
Weighted-average diluted impact of convertible notes (2)	—	13,337	—	13,337
Weighted-average diluted impact of warrant liabilities (1)	—	22	—	160
Weighted-average Class A common stock outstanding – diluted	496,089	529,454	495,234	529,551
Basic earnings (loss) per share attributable to common stockholders:	$ (0.14)	$ 0.32	$ (0.09)	$ 0.25
Diluted earnings (loss) per share attributable to common stockholders:	$ (0.14)	$ 0.30	$ (0.09)	$ 0.23

(1) Calculated using treasury stock method
(2) Calculated using if-converted method

There were no preferred or other dividends declared for the three and six months ended June 30, 2026. The below table includes the total securities potentially dilutive for the three and six months ended June 30, 2026 and 2025, which have been excluded from the computation of diluted earnings (loss) per share.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Class A common stock resulting from exercise of all warrants	—	1,074	—	1,074
Stock Options and RSUs	49,877	22,964	49,877	20,916
Convertible notes	13,337	—	13,337	—
Total	**63,214**	**24,038**	**63,214**	**21,990**

The Company has contingent consideration arrangements related to business combinations as disclosed in "Note 3 – Business Combinations." Certain potential shares associated with these arrangements have been excluded from the computations and tables above as they are contingently issuable, and the contingency to which the issuance relates was not met at the end of the reporting period.

12. Related-Party Transactions

Equity Method Investments

The Company has committed to invest up to $17.5 million in DBDK Venture Fund I, LP, in which the Company holds a 28.6% ownership interest, and $21.0 million in DBDK Fund II, LP, in which the Company holds a 35.0% ownership interest. Both funds are Delaware limited partnerships and are both managed by Drive by DraftKings, LLC ("DBDK"). As of June 30, 2026, the Company had invested a total of $13.5 million and $3.7 million of the total commitment in DBDK Venture Fund I, LP and DBDK Fund II, LP, respectively. The Company also provides office space and general operational support to DBDK, which is partially owned by DKFS, LLC, an equity-method affiliate in which the Company has a 49.9% membership interest, in exchange for services-in-kind. The operational support is primarily general and administrative services.

Aircraft

On each of March 30, 2026 and 2025, the Company renewed a one-year lease of an aircraft from an entity solely owned by Mr. Robins, pursuant to which Mr. Robins' entity leased the aircraft to the Company for $0.6 million for a one-year period (the "Aircraft Leases"). The Company covered all operating, maintenance and other expenses associated with the aircraft. The audit committee of the Company's Board of Directors and the Board of Directors approved such arrangements, as well as the Aircraft Leases, based on, among other things, the requirements in certain executive officers' security programs that such executives and their respective family members fly private and the audit committee's and the Board of Directors' assessment that such an arrangement is more efficient and flexible and better ensures safety, confidentiality and privacy. During the three and six months ended June 30, 2026 and 2025, the Company incurred $0.1 million and $0.2 million of expense under the Aircraft Leases, respectively, in each period.

13. Commitments and Contingencies

Contractual Obligations and Contingencies

The Company is a party to several non-cancelable contracts with vendors under which the Company is obligated to make future minimum payments under the terms of these contracts as follows:

		Years Ending December 31,
From July 1, 2026 to December 31, 2026	$	290,252
2027		575,324
2028		485,560
2029		426,786
2030		174,769
Thereafter		40,908
Total	**$**	**1,993,599**

Surety Bonds

As of June 30, 2026, the Company has been issued $510.0 million in surety bonds at a combined annual premium cost of 0.45%, which are held for certain regulators' use and benefit in order for the Company to satisfy state license requirements. There have been no claims against such bonds, and the likelihood of future claims is remote.

Stock Repurchase Program

On July 30, 2024, the Company's Board of Directors authorized the repurchase of an aggregate of up to $1.0 billion of the Company's Class A common stock (the "Stock Repurchase Program"). On November 6, 2025, our Board of Directors approved a $1.0 billion increase to our existing stock repurchase authorization, which increased the aggregate share repurchase authorization to $2.0 billion of our Class A common stock. Under the Stock Repurchase Program, the Company may make repurchases of its Class A common stock through open market purchases, privately negotiated transactions or other transactions in accordance with applicable securities laws, subject to market conditions and other factors. The Company's Stock Repurchase Program does not require it to acquire any specific number or amount of its Class A common stock and may be terminated at any time. The Company may enter into Rule 10b5-1 plans from time to time to facilitate repurchases of its Class A common stock in connection with its Stock Repurchase Program.

The Company repurchased 2.3 million shares and 2.9 million shares for $55.6 million and $100.5 million during the three months ended June 30, 2026 and 2025, respectively, and 5.5 million shares and 6.5 million shares for $154.2 million and $242.7 million during the six months ended June 30, 2026 and 2025, respectively, under the Stock Repurchase Program.

Contingencies

We are involved in a number of legal proceedings (including those described below) concerning matters arising in connection with the conduct of our business activities. These proceedings are at varying stages, and many of these proceedings seek an indeterminate amount of damages. We regularly evaluate the status of the legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or an additional loss may have been incurred and to determine if accruals are appropriate. If accruals are not appropriate, we further evaluate each legal proceeding to assess whether an estimate of the possible loss or range of possible loss can be made.

For certain cases described on the following pages, management is unable to provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in various stages; (ii) damages have not been sought; (iii) damages are unsupported and/or exaggerated; (iv) there is uncertainty as to the outcome of pending appeals or motions; (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories to be presented or a large number of parties involved. Unless otherwise indicated, for each of the matters described below, management does not believe that, despite the potential for significant damages, and based on currently available information, the outcome of any specific matter will have a material adverse effect on our financial condition, though an outcome of a specific matter could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

Attorney General of Texas

On January 19, 2016, the Texas Attorney General issued an opinion letter that "odds are favorable that a court would conclude that participation in paid daily fantasy sports leagues constitutes illegal gambling" under Texas law. In response to the opinion letter, we sued the Texas Attorney General on March 4, 2016 in Dallas County, Texas.

The lawsuit makes five claims: (1) a claim for a declaratory judgment that daily fantasy sports contests do not violate Texas law; (2) a claim of denial of due process under the Fifth and Fourteenth Amendments to the U.S. Constitution; (3) a claim of denial of due course of law under Article I of the Texas Constitution; (4) a claim of denial of equal protection under the Fourteenth Amendment to the U.S. Constitution; and (5) a claim of denial of equal rights under Article I of the Texas Constitution. We are also seeking reimbursement of our costs and attorneys' fees.

On April 16, 2018, the parties filed a notice of agreed non-suit without prejudice, and we re-filed our lawsuit against the Texas Attorney General in Travis County. On April 17, 2018, the Dallas County court granted the parties' agreed non-suit without prejudice, thereby dismissing the Dallas County lawsuit without prejudice. FanDuel filed a petition in intervention on August 24, 2018, seeking essentially the same relief as the Company seeks. The parties filed an agreed motion to extend the scheduling order seeking, among other things, to change the non-jury trial date to January 18, 2027. On July 30, 2026, DraftKings and FanDuel each filed notices of nonsuit (without prejudice).

We intend to vigorously pursue our claims. In the event a court ultimately determines that daily fantasy sports contests violate Texas law, that determination could cause financial harm to us and loss of business in Texas.

We cannot predict with any degree of certainty the outcome of these matters or determine the extent of any potential liabilities.

Winview I

On July 7, 2021, Winview Inc., a Delaware corporation ("Winview") filed suit against the Company in the United States District Court for the District of New Jersey. In the complaint, Winview alleges that the Company infringes two patents: U.S. Patent No. 9,878,243 ("the '243 Patent"), entitled "Methodology for Equalizing Systemic Latencies in Television Reception in Connection with Games of Skill Played in Connection with Live Television Programming", and U.S. Patent No. 10,721,543 ("the '543 Patent"), entitled "Method of and System for Managing Client Resources and Assets for Activities on Computing Devices". The allegations based on the '243 Patent are directed to Sportsbook, and the allegations based on the '543 Patent are directed to both Sportsbook and Fantasy.

On July 28, 2021, Winview filed an amended complaint, in which it alleges that the Company infringes two additional patents: U.S. Patent No. 9,993,730 ("the '730 Patent"), entitled "Methodology for Equalizing Systemic Latencies in Television Reception in Connection with Games of Skill Played in Connection with Live Television Programming", and U.S. Patent No. 10,806,988 ("the '988 Patent"), entitled "Method Of and System For Conducting Multiple Contests of Skill with a Single Performance". The allegations based on the '730 Patent are directed at Sportsbook, and the allegations based on the '988 Patent are directed at Fantasy.

On November 15, 2021, Winview filed a second amended complaint (the "SAC"), adding as defendants DK Crown Holdings Inc. and Crown Gaming Inc., a Delaware corporation, which are wholly-owned subsidiaries of the Company. The SAC, among other allegations, repeats the allegations of the first amended complaint that the defendants infringe the '243 Patent, the '543 Patent, the '730 Patent, and the '988 Patent. On December 15, 2021, the Company filed a motion to dismiss the SAC, arguing that Winview failed to state a claim for direct infringement of the '543 Patent and the '730 Patent, and for willful, induced, and contributory infringement for all four asserted patents.

On August 3, 2022, we filed a petition for inter partes review with the Patent Trial and Appeal Board ("PTAB") challenging the validity of the '243 Patent. On July 25, 2022, FanDuel filed petitions for inter partes review ("IPRs") with the PTAB challenging the validity of the '543 and '730 Patents. On September 20, 2022, the court entered an order staying the pending motion to dismiss and staying all discovery pending final resolution of the petition for inter partes review through a final written decision. On February 15, 2023, the District Court administratively terminated the lawsuit pending the PTAB's final written decision. On January 29, 2024, the PTAB issued final written decisions in the IPRs, finding unpatentable all challenged claims of the '243, '543, and '730 Patents. On February 16, 2024, the parties jointly requested that the case remain administratively terminated. On February 20, 2024, the court granted the request.

On March 29, 2024, Winview filed a notice of appeal in the United States Court of Appeals for the Federal Circuit (the “Federal Circuit”), challenging the PTAB’s final written decisions in the IPRs. On April 11, 2024, the parties jointly requested that the district court litigation remain administratively terminated until at least the Federal Circuit issues its mandate regarding Winview’s appeals. On April 15, 2024, the district court ordered the case to remain administratively terminated. On June 26, 2024, Winview and DraftKings filed a joint stipulation of voluntary dismissal of Winview’s appeal. On June 28, 2024, the Federal Circuit ordered Winview’s appeal dismissed.

On December 17, 2024, the court dismissed all of Winview’s claims with respect to U.S. Patent Nos. 9,878,243 and 9,930,730. On January 6, 2025, defendants filed a motion to dismiss Winview’s direct infringement claims for U.S. Patent No. 10,721,543 as well as Winview’s claim for willful, induced, and contributory infringement for the two remaining patents-in-suit. On July 11, 2025, the court granted the Company’s motion to dismiss without prejudice. On August 11, 2025, Winview filed an amended complaint alleging infringement of different claims of the ’543 and ’988 Patents, and alleging infringement by DK Sportsbook, Fantasy, DK Casino, Pick6, and DK Horse. On September 26, 2025, DraftKings filed a motion to dismiss Winview’s direct infringement claims for the ’543 Patent and Winview’s claim for willful, induced, and contributory infringement for the two remaining patents-in-suit.

On January 16, 2026, DraftKings filed petitions for IPRs under 35 U.S.C. § 312 and 37 C.F.R. § 42.104 for U.S. Patent No. 11,451,883 and U.S. Patent No. 11,338,189, which relate to the ’543 Patent and ’988 Patent, respectively. On March 17, 2026, the court granted-in-part and denied-in-part our motion to dismiss. The court denied our motion to dismiss the direct infringement claims of the ’543 Patent but granted with prejudice the motion to dismiss the willful infringement and indirect infringement claims as to the ’543 Patent and ’988 Patent. The infringement claims of the ’543 Patent and ’988 Patent will therefore proceed. On March 31, 2026, DraftKings filed its counterclaims, answer, and affirmative defenses to Winview’s Third Amended Complaint. On April 14, 2026, Winview filed its answer to DraftKings’ counterclaims.

We intend to vigorously defend this case. In the event that a court ultimately determines that we are infringing the asserted patents, we may be subject to substantial damages, which may include treble damages and/or an injunction that could require us to modify certain features that we currently offer.

We cannot predict with any degree of certainty the outcome of this matter or determine the extent of any potential liabilities. We also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company’s operations and cash flows.

AG 18, LLC d/b/a Arrow Gaming

On August 19, 2021, AG 18, LLC d/b/a Arrow Gaming (“Arrow Gaming”) filed a complaint against the Company in the United States District Court for the District of New Jersey alleging that the Company’s Fantasy and iGaming offerings infringe four patents. On October 12, 2021, Arrow Gaming filed an amended complaint to add one additional patent. The following U.S. Patents were asserted against one or both of the Company’s Fantasy and iGaming offerings in the amended complaint: (1) U.S. Patent No. 9,613,498 (“the ’498 Patent”), entitled “Systems and Methods For Peer-to-Peer Gaming”; (2) U.S. Patent No. 9,978,205 (“the ’205 Patent”), entitled “Location Based Restrictions on Networked Gaming”; (3) U.S. Patent No. 10,497,220, entitled “Location Based Restrictions on Networked Gaming”; (4) U.S. Patent No. 10,614,657 (“the ’657 Patent”), entitled “Location Based Restrictions on Networked Gaming”; and (5) U.S. Patent No. 11,024,131, entitled “Location Based Restrictions on Networked Gaming” (collectively, the “Arrow Gaming Patents”).

On November 10, 2021, we answered the complaint and filed counterclaims (the “Counterclaims”). In the Counterclaims we sought, among other things, a declaratory judgment that the Arrow Gaming Patents are invalid. On December 1, 2021, Arrow Gaming answered our Counterclaims. On December 20, 2021, Arrow Gaming filed a second amended complaint adding new allegations with respect to alleged willful infringement. On January 21, 2022, the Company filed a motion to dismiss plaintiff’s second amended complaint.

Between August 22, 2022 and August 30, 2022, the Company filed petitions for IPRs with the PTAB challenging the validity of each of the Arrow Gaming Patents. On March 14, 2023, the PTAB granted institution of all IPRs. On March 12 and 13, 2024, the PTAB issued final written decisions in all pending IPRs finding all claims that were asserted in the litigation unpatentable. Only two claims were not found unpatentable: claim 18 of the ’205 Patent and claim 11 of the ’657 Patent. Neither of these claims were asserted in the litigation brought by Arrow Gaming.

On May 14, 2024, Arrow Gaming filed a Notice of Appeal of the IPR directed to the ’498 Patent. On July 10, 2024, DraftKings filed a Notice of Appeal of the IPR directed to the ’205 Patent challenging the PTAB’s final written decision as to claim 18 of the ’205 Patent. On April 15, 2026, the Federal Circuit issued a summary affirmance upholding the PTAB’s final written decision invalidating the asserted claims of the ’498 Patent. On May 6, 2026, the Federal Circuit issued an affirmance in the DraftKings appeal of the IPR directed to the ’205 Patent, upholding the PTAB’s final written decision holding that claim 18 of the ‘205 Patent had not been proven to be unpatentable. On April 28, 2026, Arrow Gaming filed a motion for voluntary dismissal of the lawsuit with prejudice.

Diogenes Ltd. & Colossus (IOM) Ltd.

On December 1, 2021, Diogenes Ltd. & Colossus (IOM) Ltd. (“Colossus”), filed a complaint against the Company in the United States District Court for the District of Delaware alleging that the Company’s Sportsbook offering infringes seven of its patents. The following U.S. Patents, each entitled “Wagering apparatus, methods and systems”, are asserted against the Company’s Sportsbook offering in the complaint: U.S. Patent No. 8,721,439 (“the ’439 patent”); U.S. Patent No. 9,117,341 (“the ’341 patent”); U.S. Patent No. 9,275,516 (“the ’516 patent”); U.S. Patent No. 9,424,716 (“the ’716 patent”); U.S. Patent No. 9,704,338 (“the ’338 patent”); U.S. Patent No. 10,970,969 (“the ’969 patent”); and U.S. Patent No. 10,997,822 (“the ’822 patent”).

On January 24, 2022, the Company filed a motion to dismiss the original complaint. On February 7, 2022, Colossus filed an amended complaint (the “Amended Complaint”) to, among other things, assert one additional patent against the Company, U.S. Patent No. 11,200,779 (“the ’779 patent”). The patents asserted by Colossus are collectively referred to as the “Colossus Patents.”

The Company filed a motion to dismiss the Amended Complaint on February 22, 2022. On July 18, 2022, Magistrate Judge Burke issued a report and recommendation (the “Report and Recommendation”) that the motion to dismiss be granted-in-part and denied-in-part. On August 26, 2022, District Court Judge Noreika adopted the Report and Recommendation of Magistrate Judge Burke regarding the motion to dismiss. On December 27, 2022, the Company filed an Answer to the Amended Complaint, including certain affirmative defenses. On January 17, 2023, Colossus filed a motion to strike the affirmative defense of unenforceability from the Company’s Answer. On February 7, 2023, the Company filed an Amended Answer and Counterclaims to the Amended Complaint, and also filed a response to Colossus’ motion to strike. On February 28, 2023, Colossus filed another motion to strike DraftKings’ inequitable conduct affirmative defense and counterclaim. Magistrate Judge Burke held a hearing on Colossus’ motion on June 6, 2023 and subsequently issued a report and recommendation (the “Second Report and Recommendation”) that the motion be denied in part and granted in part. On August 2, 2023, Judge Noreika overruled Colossus’ objections and adopted the Second Report and Recommendation.

Between November 29, 2022, and February 7, 2023, the Company filed petitions for inter partes review with the PTAB challenging the validity of the Colossus Patents. The PTAB granted institution of IPRs for each of the ’341 patent, ’969 patent, and the ’822 patent. The PTAB denied institution of IPR for each of the ’516 patent, ’716 patent, ’338 patent and the ’779 patent. On September 11, 2023, the Company filed a request for Director Review of the PTAB’s decision not to institute review in the IPR for the ’779 patent. On November 7, 2023, the Director of the U.S. Patent and Trademark Office delegated Director Review of the PTAB’s institution decision in the IPR for the ’779 Patent to the Delegated Review Panel (“DRP”) to determine whether to grant rehearing. On February 21, 2024, the DRP issued a decision vacating the PTAB’s denial of institution of the IPR directed to the ’779 Patent and instructing the PTAB to reconsider institution. On May 15, 2024, the PTAB instituted the IPR directed to the ’779 Patent. On May 9, 2025, the PTAB issued a final written decision finding all claims of the ’779 Patent that were asserted in the litigation unpatentable. On July 7, 2025, Colossus filed a Notice of Appeal in the Federal Circuit, challenging the PTAB’s final written decision in the IPR directed to the ’779 Patent. On October 17, 2025, Colossus filed its opening brief in the appeal, on January 26, 2026, the Company filed its responsive brief in the appeal, and on April 28, 2026, Colossus filed its reply brief.

On March 15, 2024, the parties entered into a partial settlement agreement, in which the parties agreed to, among other things: (1) dismissal with prejudice of the claims relating to the ’439 patent; ’341 patent; ’516 patent; ’716 patent; ’338 patent; ’969 patent; and the ’822 patent; and (2) DraftKings’ withdrawal of its IPRs with respect to the ’341 Patent, the ’969 Patent, and the ’822 Patent. The dismissal and withdrawal both occurred on March 18, 2024. Only the ’779 Patent remains pending in the district court litigation. The parties have stipulated to a stay of the district court litigation pending resolution of the IPR directed to the ’779 Patent.

We intend to vigorously defend this case. In the event that a court ultimately determines that we are infringing the asserted patents, we may be subject to substantial damages, which may include treble damages and/or an injunction that could require us to modify certain features that we currently offer.

We cannot predict with any degree of certainty the outcome of this matter or determine the extent of any potential liabilities. We also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Steiner

Nelson Steiner filed suit against the Company and FanDuel Inc. in Florida state court on November 9, 2015. The action was subsequently transferred to In Re: Daily Fantasy Sports Litigation (Multi-District Litigation) (the "MDL"), and Mr. Steiner's action was consolidated into the MDL's amended complaint, which, in February 2016, consolidated numerous actions (primarily purported class actions) filed against the Company, FanDuel, and other related parties in courts across the United States. By June 23, 2022, the MDL was resolved, except for Mr. Steiner's action, and the court officially closed the MDL docket on July 8, 2022.

Mr. Steiner brought this action as a concerned citizen of the state of Florida alleging that, among other things, defendants' daily fantasy sports contests are illegal gambling under the state laws of Florida and sought disgorgement of "gambling losses" purportedly suffered by Florida citizens on behalf of the state. On June 23, 2022, the MDL court remanded Mr. Steiner's action to the Circuit Court for Pinellas County, Florida.

On September 9, 2025, DraftKings and FanDuel jointly moved to dismiss Steiner's amended complaint. On November 19, 2025, the Circuit Court granted the motion to dismiss the amended complaint with prejudice.

Shareholder Derivative Litigation Related to Marketplace

On May 31, 2023, the first of three substantially similar, putative shareholder derivative actions was filed in Nevada state court by an alleged shareholder of the Company. On October 29, 2024, the court entered a stipulated order consolidating the three actions under the caption In re DraftKings Inc. Stockholder Derivative Litigation and appointed lead counsel. On December 23, 2024, the plaintiffs filed a consolidated amended complaint. The amended complaint purports to assert claims on behalf of the Company against certain senior officers and members of the Board of Directors of the Company based primarily on allegations that the defendants caused or allowed the Company to sell NFTs in violation of applicable law. The amended complaint also alleges that certain individuals are liable for trading in Company stock based on non-public information about its NFT business. The amended complaint seeks unspecified compensatory damages on the Company's behalf, changes to corporate governance and internal procedures, costs and attorney's fees, and other unspecified relief.

On February 21, 2025, the defendants moved to dismiss the amended complaint. On September 12, 2025, the court entered an order granting in part and denying in part the defendants' motion to dismiss on the merits pursuant to Rule 12(b)(5). The court dismissed without prejudice the plaintiffs' first, second, and fifth causes of action—asserting breach of fiduciary duty, corporate waste, and insider trading—under Rule 12(b)(5). The court denied without prejudice the defendants' motion under Rule 12(b)(5) as to the plaintiffs' third and fourth causes of action—alleging the sale of unregistered securities and transacting business as an unlicensed broker-dealer. The court deferred consideration of the defendants' separate motion to dismiss for failure to plead demand futility under Rule 23.1, and granted the plaintiffs leave to file an amended complaint within thirty days of entry of the order. After plaintiffs declined to replead the previously dismissed claims, on November 17, 2025, the defendants renewed their motion to dismiss for failure to plead demand futility under Rule 23.1. On February 3, 2026, the court issued an oral ruling, which was confirmed by a subsequent written order entered on March 3, 2026, dismissing the remaining claims with prejudice. The plaintiffs did not file a notice of appeal by the April 6, 2026, deadline.

Scanlon

On December 8, 2023, plaintiffs Melissa Scanlon and Shane Harris, individually and on behalf of others similarly situated, filed a purported class action lawsuit against DraftKings in Middlesex County Superior Court of Massachusetts. Among other things, plaintiffs allege that the Company's promotion that offered new customers an opportunity to earn up to 1,000 in site credits, and related advertisements, were: (1) unfair or deceptive practices in violation of Massachusetts General Laws ("M.G.L.") c. 93A, §§ 2, 9; and (2) untrue and misleading advertising in violation of M.G.L. c. 266, § 91. The plaintiffs are seeking, among other things, injunctive relief, actual damages, double or treble damages, and attorneys' fees.

On March 26, 2024, the case was transferred to the Business Litigation Session of the Massachusetts Superior Court. On January 29, 2024, DraftKings filed a motion to dismiss all of plaintiffs' claims. On August 19, 2024, the court denied the motion to dismiss. On October 10, 2025, DraftKings served its motion for summary judgment. On February 18, 2026, the court issued an order denying DraftKings' motion for summary judgment on the Chapter 93A claim (Count I) but granted the motion on the Chapter 266 claim (Count II). On March 10, 2026, plaintiffs filed a motion for reconsideration of the Order with respect to Count II, which the court denied on April 9, 2026.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

McAfee

On June 10, 2024, plaintiff Matthew McAfee, individually and on behalf of all others similarly situated, filed a purported class action lawsuit against DraftKings in the Hamilton County Superior Court, State of Indiana. Among other things, plaintiff alleges that those customers who had winning bets placed and accepted on the October 24, 2023 Lakers versus Nuggets basketball game that were subsequently canceled by DraftKings for obvious error were not timely canceled and should have been paid. Plaintiff brings claims for: (1) Indiana Deceptive Consumer Sales Act – Incurable Deceptive Act; (2) Indiana Deceptive Consumer Sales Act – Uncured Deceptive Act; and (3) breach of contract. Plaintiff seeks, among other things, actual and statutory damages, treble and exemplary damages, interest, and attorney fees and costs.

On July 12, 2024, DraftKings removed the matter to the United States District Court for the Southern District of Indiana. On August 14, 2024, DraftKings filed a motion to dismiss. On February 7, 2025, the court granted DraftKings' motion to dismiss as to plaintiff's DCSA claims and denied DraftKings' motion to dismiss as to plaintiff's breach of contract claim. The court also held that DraftKings may amend its response to plaintiff's motion for class certification up until February 24, 2025. On February 12, 2025, McAfee filed a motion for leave to file a first amended complaint. On May 9, 2025, the court denied the motion to amend.

On November 20, 2024, plaintiff filed a motion for class certification, and on June 11, 2025, plaintiff filed an amended motion for class certification. On December 9, 2025, the court granted the class certification motion. On January 20, 2026, the court entered an order directing the parties to provide class notice within thirty days of the order. The parties provided class notice.

On October 21, 2025, plaintiff filed a motion for summary judgment. On November 17, 2025, DraftKings' filed an opposition to plaintiffs' summary judgment motion and its own summary judgment motion. Both motions remain pending.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Youngs

On January 7, 2025, plaintiff Matthew Youngs, individually and on behalf of all others similarly situated, filed a purported class action complaint against DraftKings Inc., Crown NJ Gaming Inc. dba DraftKings, DGMB Casino LLC and Resorts Atlantic City in the United States District Court, District of New Jersey. Among other things, plaintiff alleges that the Company's "risk-free" and "no sweat" promotions, and the promotion that offered new customers an opportunity to earn up to 1,000 site credits as a sportsbook deposit match, as well as promotions that offered site credits in connection with a casino deposit match, were unfair, unconscionable, and misleading. The plaintiff's complaint, as amended, asserts claims for violation of the New Jersey Consumer Fraud Act ("CFA"), intentional misrepresentation, unjust enrichment, and conversion. Plaintiff seeks compensatory damages, punitive damages, attorney fees and costs. Plaintiff seeks to certify a nationwide class of anyone who participated in the casino deposit match promotion and lost part or all of their initial deposit (with subclasses for New Jersey, Connecticut, Pennsylvania, Michigan, and West Virginia). Plaintiff also seeks a statewide class of (i) anyone in New

Jersey who allegedly opted into the “risk free” or “no sweat” promotion and lost a bet; and (ii) anyone in New Jersey who opened an account and deposited money while in New Jersey in response to the 1,000 new customer sportsbook deposit match promotion.

On March 27, 2025, DraftKings filed a motion to dismiss the complaint. In response to the motion to dismiss, on April 17, 2025, plaintiff Matthew Youngs and a second plaintiff (Jason Lombardozzi), individually and on behalf of all others similarly situated, filed a first amended purported class action complaint against DraftKings Inc. and Crown NJ Gaming Inc. dba DraftKings. In the amended complaint, the plaintiffs removed DGMB Casino and Resorts Atlantic as defendants and removed claims of negligence. In the amended complaint, the plaintiffs added new CFA claims alleging that (i) the casino deposit match was unconscionable because it inculcated gaming addiction and (ii) the Company engaged in unconscionable conduct by targeting customers with casino deposit match promotions after such customers had become addicted to gaming. The court terminated the defendants’ motion to dismiss as moot due to the plaintiffs filing an amended complaint. On May 22, 2025, DraftKings filed a motion to dismiss the amended complaint. On July 23, 2025, the court granted the motion to dismiss with prejudice regarding the unjust enrichment claim and dismissing without prejudice all other claims. On August 13, 2025, plaintiffs filed a second amended complaint: dismissing Lombardozzi as a plaintiff and added a new plaintiff (Charles Thompson); dismissing their CFA claims alleging that the casino deposit match promotions allegedly inculcated gaming or were otherwise unconscionable; and adding two new intentional misrepresentation claims related to the “risk free” and “no sweat promotions,” and new customer sportsbook deposit match promotion. Plaintiffs seek to certify nationwide classes of persons who opted into each of the promotions at issue, as well as a New Jersey subclass.

On September 10, 2025, DraftKings filed a motion to dismiss the second amended complaint. On November 19, 2025, the District Court granted the motion in part and denied it in part, allowing plaintiffs’ CFA and common law fraud claims as to the “risk free” promotion to proceed, as well as an equitable fraud claim concerning the casino deposit match promotion. DraftKings filed its answer to the second amended complaint on December 17, 2025.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company’s business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company’s operations and cash flows.

James Beyer, Collin Smothers, Mateen Zafer and Corey Davis

On January 8, 2025, plaintiffs James Beyer, Collin Smothers, Mateen Zafer and Corey Davis, individually and on behalf of all others similarly situated, filed a purported class action complaint against DraftKings Inc., Crown IL Gaming LLC dba DraftKings, Northside Crown Gaming LLC, and Casino Queen Inc. in the Circuit Court of Cook County, Illinois Law Division. Among other things, plaintiffs allege that the Company’s “risk-free” and “no sweat” promotions, and the promotion that offered new customers an opportunity to earn up to 1,000 site credits as a deposit match, were unfair and misleading. Plaintiffs also allege that DraftKings targets underage users with its advertising and by allowing them to participate in daily fantasy sports contests in order to inculcate gaming habits. Plaintiffs bring claims for violation of the Illinois Consumer Fraud and Deceptive Practices Act, intentional misrepresentation, fraudulent inducement, unjust enrichment, civil conspiracy, and declaratory relief. Plaintiffs seek, among other things, unspecified compensatory damages, punitive damages, attorney fees and costs. Plaintiffs seek to certify a nationwide class of (i) anyone who opted into a DraftKings promotion advertising a “risk-free” or “no sweat” bet and lost their bet (with an Illinois subclass); (ii) anyone who opened an account and deposited money in response to the new customer 1,000 site credit promotion (with an Illinois subclass); and (iii) anyone who opened an account and entered free promotions on DraftKings’ platform before turning twenty-one years old and then placed paid bets on DraftKings after turning twenty-one years old (with an Illinois subclass).

On February 7, 2025, DraftKings removed the complaint to the United States District Court, Northern District of Illinois, Eastern Division. On April 4, 2025, DraftKings filed a motion to dismiss. In response, on May 9, 2025, plaintiffs filed their first amended complaint (the “First Amended Complaint”). On June 12, 2025, DraftKings filed a motion to dismiss the First Amended Complaint. Plaintiffs filed their Opposition to the Motion to Dismiss on July 9, 2025, and DraftKings filed its reply on July 28, 2025.

On August 8, 2025, the court ordered the parties to provide a supplemental brief setting forth the basis for the court’s subject matter jurisdiction under the Class Action Fairness Act in light of the mandatory “local controversy exception” contained in 28 U.S.C. §1332(d)(4)(A). On November 20, 2025, the District Court ruled that it had jurisdiction under the Class Action Fairness Act. On November 25, 2025, the District Court denied DraftKings' motion to dismiss the First Amended Complaint. On December 23, 2025, DraftKings filed a motion to certify an interlocutory appeal pursuant to 28 U.S.C. § 1292(b) on the issue of whether a mobile app, or its specific features (e.g., the app interface), can be a "product" for purposes of Illinois product liability law. On February 26, 2026, the District Court denied DraftKings' motion to certify. On March 26, 2026, DraftKings filed a motion for reconsideration of the District Court's order denying certification, and on April 1, 2026, the District Court denied DraftKings' motion for reconsideration. On June 1, 2026, the District Court referred the case to a magistrate judge for discovery supervision.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Clara De Leon and Eric Mirsberger Jr.

On January 22, 2025, plaintiffs Clara De Leon and Eric Mirsberger Jr., individually and on behalf of all others similarly situated, filed a purported class action complaint (the "Original Complaint") against DraftKings Inc. and Crown NY Gaming Inc. in the United States District Court for the Southern District of New York. Among other things, plaintiffs allege that the Company's "risk-free" and "no sweat" promotions, and the promotion that offered new customers an opportunity to earn up to 1,000 site credits as a deposit match, were unfair and misleading. Plaintiffs also allege that DraftKings targets players with gaming addiction issues, including by pairing players who bet large amounts of money with VIP hosts who, plaintiffs allege, are trained to encourage customers to place frequent and large bets. Plaintiffs bring claims for violation of the New York General Business Law sections 349 and 350, negligence, intentional misrepresentation, fraudulent inducement, unjust enrichment, and declaratory relief. Plaintiffs seek, among other things, unspecified compensatory damages, punitive damages, attorney fees and costs. Plaintiffs seek a nationwide class of (i) anyone who allegedly opted into the "risk free" or "no sweat" promotion and lost a bet (with a New York subclass); (ii) anyone who allegedly opened an account and deposited money in response to the new customer 1,000 site credit promotion (with a New York subclass); and (iii) anyone who was allegedly enticed by DraftKings' VIP hosts to bet beyond their means (with a New York subclass). Plaintiffs also seek a declaration that DraftKings has breached agreements with Apple and Google relating to their respective app stores.

On April 8, 2025, DraftKings filed a motion to dismiss. On April 9, 2025, the court ordered plaintiffs to file an amended complaint, if any, and on May 16, 2025, plaintiffs filed an amended putative class action complaint on behalf of Clara De Leon, Eric Mirsberger Jr., Joseph Mitchell, and Edward Mendez (the "First Amended Complaint"). In addition to the claims and theories set forth in the Original Complaint, the First Amended Complaint asserts additional causes of action, including alleged breaches of fiduciary duty and product liability claims based on theories of design defect and failure to warn. On June 20, 2025, DraftKings filed a motion to dismiss. The District Court granted the motion to dismiss on December 11, 2025, and entered judgment on February 2, 2026.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Winview II

On February 10, 2025, Winview IP Holdings, LLC ("Winview IP") filed suit against DraftKings Inc., a Nevada corporation, DK Crown Holdings Inc., Crown Gaming Inc., SBTech US Inc., and SBTech (Global) Ltd. in the United States District Court for the District of New Jersey. In the complaint, Winview IP alleges that the defendants infringe nine patents: U.S. Patent No. 11,185,770 ("the '770 Patent"), entitled "Methodology for equalizing systemic latencies in television reception in connection with games of skill played in connection with live television programming," U.S. Patent No. 11,235,237 ("the '237 Patent"), entitled "Methodology for equalizing systemic latencies in television reception in connection with games of skill played in connection with live television programming," U.S. Patent No. 11,338,189 ("the '189 Patent"), entitled "Method of and system for conducting multiple contests of skill with a single performance," U.S. Patent No. 11,451,883 ("the '883 Patent"), entitled "Method of and system for managing client resources and assets for activities on computing devices," U.S. Patent No. 11,678,020 ("the '020 Patent"), entitled "Methodology for equalizing systemic latencies in television reception in connection with games of skill played in connection with live television programming," U.S. Patent No. 11,736,771 ("the '771 Patent"), entitled "Methodology for equalizing systemic latencies in television reception in connection with games of skill played in connection with live television programming," U.S. Patent No. 11,918,880 ("the '880 Patent"), entitled "Method of and system for conducting multiple contests of skill with a single performance," U.S. Patent No. 11,951,402 ("the '402 Patent"), entitled "Method of and system for conducting multiple contests of skill with a single performance," and U.S. Patent No. 12,005,349 ("the '349 Patent"), entitled "Synchronized gaming and programming." The allegations based on: the '770 Patent are directed to DK Sportsbook, DK Casino, and DK Horse; the '237 Patent are directed to DK Sportsbook and DK Horse; the '189 Patent are directed to Fantasy and Pick6; the '883 Patent are directed to DK Sportsbook, DK Horse, DK Casino, Fantasy, and Pick6; the '020 Patent are directed to DK Sportsbook, DK Horse, and DK Casino; the '771 Patent are directed to DK Sportsbook, DK Horse, and DK Casino; the '880 Patent are directed to Fantasy and Pick6; the '402 Patent are directed to Fantasy and Pick6; and the '349 Patent are directed to DK Sportsbook, DK Horse, and DK Casino.

On August 18, 2025, DraftKings filed its motion to dismiss Winview's direct infringement claims of the '883 patent, all claims against DK Casino and DK Horse, as well as Winview's claims for willful, induced, and contributory infringement for all nine patents-in-suit.

On January 16, 2026, DraftKings filed petitions for IPRs with the PTAB challenging the validity of the '883 Patent and the '189 Patent.

On January 20, 2026, DraftKings informed the District Court of the filing of the IPR petitions, and on January 21, 2026, the District Court entered an order staying DraftKings' motion to dismiss pending the final resolution of the IPRs through final written decision of the PTAB. On June 12, 2026, the PTAB denied institution of DraftKings' IPR petition for the '189 Patent. On July 2, 2026, the PTAB granted institution of DraftKings' IPR petition for the '883 Patent. The PTAB is expected to issue a final written decision on that IPR by July 2, 2027.

We intend to vigorously defend this case. In the event that a court ultimately determines that we are infringing the asserted patents, we may be subject to substantial damages, which may include treble damages and/or an injunction that could require us to modify certain features that we currently offer.

We cannot predict with any degree of certainty the outcome of this matter or determine the extent of any potential liabilities. We also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

DC Gambling Recovery LLC v. Caesars et al.

On February 28, 2025, DC Gambling Recovery LLC filed a lawsuit against DraftKings, Caesars, FanDuel, BetMGM, and Fanatics in state court in the District of Columbia. On April 4, 2025, the defendants removed the lawsuit to the United States District Court for the District of Columbia. Plaintiff alleges that the defendants violated the Statute of Anne (D.C. Code § 16-1702), a statute which purportedly allows an individual to recover their betting losses greater than twenty-five dollars from each sportsbook, and should such party fail to sue within three months, the statute purportedly authorizes any person to file suit against the sportsbook to recover the losses (including treble damages). Plaintiff also alleges that the U.S. Supreme Court's 2018 decision striking down the Professional and Amateur Sports Protection Act ("PASPA") does not apply to the District of Columbia and, therefore, the Sports Wagering Lottery Amendment Act ("SWLAA"), a 2019 law that legalized sports betting in the District of Columbia, is without any legal force or effect. Plaintiff also alleges that the Statute of Anne permits recovery of betting losses greater than twenty-five dollars even if the SWLAA has legal force or effect. Plaintiff seeks to recover on behalf of all individuals within the District of Columbia that have (i) lost more than $25 at any single time or sitting by sports betting with DraftKings and (ii) not sued to recover those losses within three months of payment to DraftKings.

On May 5, 2025, DraftKings filed a motion to dismiss the complaint. On May 14, 2025, the court granted the District of Columbia's motion to intervene. On June 16, 2025, plaintiff filed its opposition to defendants' motions to dismiss; on June 23, 2025, the District of Columbia filed a brief in support of defendants' motion to dismiss; on July 7 2025, DraftKings filed its reply in support of its motion to dismiss and plaintiff filed its response to the District of Columbia's brief; and on July 14, 2025, the District of Columbia filed its reply. On September 24, 2025, the District of Columbia notified the court that the D.C. Council had amended D.C. Code § 16-1702 to clarify that it does not apply to sports betting authorized under the SWLAA, and that the amendment would become permanent after review by Congress. On September 29, 2025, plaintiff filed a response arguing that the amendment violated PASPA. On March 26, 2026, the District Court dismissed the complaint with prejudice, concluding that it was barred by the amendment to D.C. Code § 16-1702. Plaintiff filed its notice of appeal to the United States Court of Appeals for the District of Columbia Circuit on April 9, 2026, and filed its opening brief on July 27, 2026.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

City of Baltimore

On April 3, 2025, the City of Baltimore filed a lawsuit against DraftKings and FanDuel seeking civil penalties and injunctive relief under Baltimore City Code Art. 2, Section 4. The City alleges that DraftKings violated Baltimore City Code Art. 2, section 4 by committing unfair, abusive and deceptive trade practices by allegedly (i) using data to allegedly target vulnerable Baltimore users; (ii) using misleading promotions such as "bonus bets" or "no-sweat bets;" (iii) concealing or misrepresenting the terms and conditions of those promotions; (iv) using data to identify Baltimore users with an alleged gaming disorder and then directing promotions at them; (v) directing messages with misleading urgency to those who allegedly may have gaming disorders; (vi) using the VIP program to allegedly exploit people with alleged gaming disorders; (vii) offering escalating rewards through its VIP program to target alleged users with gaming disorders; and (viii) failing to implement responsible gaming measures. The City of Baltimore seeks injunctive relief and statutory penalties for each violation of Baltimore City Code Art. 2, section 4.

On May 7, 2025, the defendants removed the lawsuit from state court to the United States District Court for the District of Maryland (Northern Division). On June 6, 2025, the City filed a motion to remand the case to state court. On November 10, 2025, the District Court granted the plaintiff's motion to remand. On November 12, 2025, defendants filed a notice of appeal of the remand order, and on November 13, 2025, the state court stayed and administratively closed the case, subject to reopening once the appeal has been adjudicated. On January 28, 2026, the defendants filed their opening appellate brief. The City filed its response on February 23, 2026, and the defendants filed their reply on March 19, 2026. The appeal remains pending.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Macek I

On April 18, 2025, plaintiffs Kenneth Macek, Matthew Harner, Avi Setton, Lionel Alicea, and Robert Walker, individually and on behalf of all others similarly situated, filed a purported class action complaint against DraftKings Inc., Crown PA Gaming Inc. dba DraftKings, and Golden Nugget Online Gaming LLC ("Golden Nugget Online Gaming") in the United States District Court, Eastern District of Pennsylvania. Among other things, plaintiffs allege that the Company's "risk-free" and "no sweat" promotions, and the promotion that offered new customers an opportunity to earn up to 1,000 site credits as a sportsbook deposit match, as well as promotions that offered site credits in connection with a casino deposit match, were unfair, unconscionable, and misleading (collectively, the "Promotions Claims"). Plaintiffs also allege that DraftKings targets players with gaming addiction issues, including by assigning certain players with VIP hosts. Plaintiffs assert causes of action for violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law, negligence, intentional misrepresentation, failure to warn, fraudulent inducement, unjust enrichment, intentional infliction of emotional distress and conversion. Plaintiffs seek, among other things, unspecified compensatory damages, punitive damages, attorney fees and costs. Plaintiffs seek to certify a nationwide class relating to the Promotions Claims, of: (i) anyone who participated in the casino deposit match promotion and lost part or all of their initial deposit (with a Pennsylvania subclass); (ii) anyone who allegedly opted into the "risk free" or "no sweat" promotion (with a Pennsylvania subclass); and (iii) anyone who allegedly deposited money in response to the 1,000 new customer sportsbook deposit match promotion (with a Pennsylvania subclass). Plaintiffs also seek to certify a class relating to alleged addiction claims, of (i) anyone who developed or displayed problem gaming behavior and was allegedly targeted by DraftKings' VIP hosts or promotions or otherwise induced to game or continue to game (with a Pennsylvania subclass); and (ii) anyone who was allegedly permitted to continue gaming after self-excluding or who asked DraftKings to suspend or close their account (with a Pennsylvania subclass).

On June 24, 2025, defendants filed a motion to dismiss. In response, on July 15, 2025, plaintiffs filed a first amended complaint (the "First Amended Complaint"), removing plaintiff Walker and adding new plaintiffs Shane Spencer and Rangaraj Sadagopan. The First Amended Complaint removed all of the allegations, purported classes, and causes of action relating to the Promotions Claims.

The First Amended Complaint only alleges claims and causes of action relating to alleged addiction matters, as follows: negligence, breach of fiduciary duty, unjust enrichment, intentional infliction of emotional distress, and strict and negligent products liability. The First Amended Complaint also contains individual claims for breach of contract and conversion based on the closure of plaintiff Setton's account. In the First Amended Complaint, plaintiffs seek, among other things, unspecified compensatory damages, punitive damages, attorney fees and costs. Plaintiffs seek to certify a nationwide class of (i) anyone who developed or displayed problem gaming behavior and was allegedly targeted by DraftKings' VIP hosts or otherwise induced to game or continue to game (with a Pennsylvania subclass); (ii) anyone who was allegedly permitted to continue gaming after asking DraftKings to suspend or close their account (with a Pennsylvania subclass); and (iii) anyone who was exposed to the allegedly dangerous design of features of DraftKings' app and could not control their compulsive gaming (with a Pennsylvania subclass).

On July 29, 2025, DraftKings filed a motion to dismiss. On March 23, 2026, the District Court granted the motion as to all claims and dismissed all claims with prejudice (except for a conversion claim of one plaintiff, which it transferred to Pennsylvania state court), and ordered the case closed. On April 17, 2026, plaintiffs filed a notice of appeal, and on July 7, 2026, plaintiffs filed their opening appellate brief and a motion to certify a question of state law to the Pennsylvania Supreme Court.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Macek II

On July 15, 2025, plaintiffs Kenneth Macek, Matthew Harner, Avi Setton, Lionel Alicea, and Robert Walker, individually and on behalf of all others similarly situated, filed a purported class action complaint against DraftKings Inc., Crown PA Gaming Inc. dba DraftKings, and Golden Nugget Online Gaming in the United States District Court, Eastern District of Pennsylvania. Among other things, plaintiffs allege that the Company's "risk-free" and "no sweat" promotions (collectively, the "No Risk Promotions"), and the promotion that offered new customers an opportunity to earn up to 1,000 site credits as a sportsbook deposit match (the "Sportsbook Deposit Promotion"), as well as DraftKings' and Golden Nugget Online Gaming's respective promotions that offered site credits in connection with a casino deposit match (collectively, the "Casino Deposit Promotion"), were unfair, unconscionable, and misleading. Plaintiffs bring consumer protection, fraud, and unjust enrichment claims seeking, among other things, unspecified compensatory damages, punitive damages, attorney fees and costs. Plaintiffs seek to certify a nationwide class of (i) anyone who participated in DraftKings' or Golden Nugget Online Gaming's Casino Deposit Promotion and lost part or all of their initial deposit (with a Pennsylvania subclass); (ii) anyone who allegedly opted into DraftKings' No Risk Promotions and lost their bet (with a Pennsylvania subclass); and (iii) anyone who allegedly deposited money in response to DraftKings' $1,000 Sportsbook Deposit Promotion (with a Pennsylvania subclass).

On September 16, 2025, DraftKings filed its motion to dismiss. On September 30, 2025, plaintiffs filed their response, in which they withdrew two of their three fraud claims. On October 7, 2025, DraftKings filed its reply. Also on September 16, 2025, DraftKings filed a motion to consolidate Macek I and Macek II for all purposes.

On April 8, 2026, the District Court granted in part and denied in part DraftKings' motion to dismiss. The District Court denied the motion to consolidate as moot given that it granted the motion to dismiss Macek I.

On May 13, 2026, plaintiffs filed a first amended complaint ("FAC"). On May 27, 2026, DraftKings filed a motion to dismiss the FAC, which the court denied on June 17, 2026. As a result, the case will proceed with the following claims: (1) violation of Pennsylvania's Unfair Trade Practices and Consumer Protection Law based on the Casino Deposit Promotion (Count I), No Risk Promotions (Count III), and Sportsbook Deposit Promotion (Count IV); (2) an intentional misrepresentation claim based on the Casino Deposit Promotion only (Count II); (3) and an unjust enrichment claim (Count V) based on the Casino Deposit Promotion, No-Risk Promotions, and Sportsbook Deposit Promotion. Counts I, II, and V are asserted against Golden Nugget Online Gaming in addition to DraftKings Inc. and Crown PA Gaming Inc. Defendants filed an answer on July 15, 2026. An initial pretrial conference is scheduled for August 26, 2026.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Moore (now Zhen v. DraftKings Inc.)

On June 1, 2025, plaintiffs Brandon Moore, Zhicheng Zhen, and Jonathan Smith, individually and on behalf of all others similarly situated, filed a purported class action complaint against DraftKings Inc. and Doe defendants in the United States District Court, Northern District of California. Among other things, plaintiffs allege that DraftKings has been operating illegal online gambling platforms in California through its "Daily Fantasy Sports" and "Pick6" contests in violation of California law. Plaintiffs claim that these contests amount to unlawful lotteries, games of chance, or sports betting and that DraftKings falsely represents these services as lawful in California, including through misleading public statements and platform disclosures.

Plaintiffs bring claims under California's Unfair Competition Law ("UCL") and Consumer Legal Remedies Act ("CLRA"), and seek, among other things, injunctive relief, restitution, disgorgement, and attorneys' fees and costs. Plaintiffs seek to represent a purported class of all California residents who allegedly placed a bet or wager on DraftKings' alleged Daily Fantasy Sports and Pick6 gambling websites while physically located in California. On July 11, 2025, plaintiffs filed a Notice Regarding Legal Opinion Issued By The California Attorney General enclosing an opinion from the California Attorney General (Opinion No. 23-1001) in which the California Attorney General opined that "California law prohibits the operation of daily fantasy sports games with players physically located within California." On July 14, 2025, two other actions pending in the Northern District of California were referred sua sponte by the court to the Judge assigned to Moore for determination on whether such actions should be related under Civil Local Rule 3-12(e) (Beltran v. FanDuel, Inc., Case No. 25-cv-5586-JSC; Head v. Underdog Sports, LLC, Case No. 25-cv-5542-JST). On July 16, 2025, the court referred sua sponte a third pending action for the same determination (Franks v. Prize Picks, Case No. 25-cv-4916-JD). On July 24, 2025, the court assigned to Moore held that those three actions were related to Moore and assigned all three cases to that court. On August 1, 2025, plaintiff Moore voluntarily dismissed his case without prejudice; and upon motion by the plaintiff, the District Court ordered that the case is now entitled Zhen v. DraftKings. On August 11, 2025, DraftKings filed its motion to dismiss, and on December 19, 2025, the court granted the motion to dismiss without prejudice.

On January 20, 2026, plaintiffs filed a first amended complaint that adds four new defendants: Crown Gaming Inc. and three individuals (Jason Robins, Matthew Kalish, and Paul Liberman) (the "First Amended Complaint"), in addition to DraftKings. Plaintiffs' First Amended Complaint asserts nine causes of action arising from DraftKings' alleged operation and marketing of its Daily Fantasy Sports and Pick6 offerings to users located in California. Plaintiffs bring claims under the UCL and the CLRA, and they added federal civil RICO claims under 18 U.S.C. §§ 1962(c) and 1962(d) (with civil remedies under § 1964(c)) asserted both against the three individual defendants and separately against all defendants (DraftKings Inc., Crown Gaming Inc., and those individuals). Plaintiffs also assert a gambling-loss recovery claim based on Cal. Civ. Code § 22.2 and the "Statute of Anne," a claim under Cal. Penal Code § 496 (receipt of stolen property), and a claim for declaratory relief (28 U.S.C. § 2201). Plaintiffs seek injunctive and declaratory relief, restitution and other equitable relief, and, as pleaded, damages.

On March 30, 2026, DraftKings and the newly added defendants filed motions to dismiss the First Amended Complaint. On July 29, 2026, the District Court dismissed with prejudice all claims seeking monetary relief, including the RICO, Statute of Anne, and California Penal Code § 496 claims, as well as the damages/restitution components of the UCL and CLRA claims, holding that California public policy bars recovery of gambling losses absent express statutory authorization. The only remaining substantive claims are the UCL and CLRA claims seeking prospective declaratory and injunctive relief against DraftKings. The District Court also granted the motion to dismiss filed by Crown Gaming Inc. and the individual defendants, dismissing all claims against those defendants with prejudice.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Micro-Gaming

On May 9, 2025, Micro-Gaming Ventures, LLC ("Micro-Gaming") filed suit against DraftKings Inc. in the United States District Court for the District of New Jersey. In the complaint, Micro-Gaming alleges that the Company infringes five patents: (1) U.S. Patent No. 8,545,311, entitled "Systems and methods for enabling remote device users to wager on micro events of games in a data network accessible gaming environment"; (2) U.S. Patent No. 8,632,392, entitled "Systems and methods for enabling remote device users to wager on micro events of games in a data network accessible gaming environment"; (3) U.S. Patent No. 8,734,231, entitled "Systems and methods for enabling remote device users to wager on micro events of games in a data network accessible gaming environment"; (4) U.S. Patent No. 11,783,679, entitled "Location-based wagering via remote devices"; and (5) U.S. Patent No. 12,266,244, entitled "Location-based wagering via remote devices" (collectively, the "Micro-Gaming Patents"). The allegations for all of the Micro-Gaming Patents are directed to the "DraftKings Sportsbook."

On August 8, 2025, the Company filed its motion to dismiss. On March 30, 2026, the Company's motion to dismiss was granted with prejudice. On April 24, 2026, Micro-Gaming filed its notice of appeal.

We intend to vigorously defend this case. In the event that a court ultimately determines that we are infringing the asserted patents, we may be subject to substantial damages, which may include treble damages and/or an injunction that could require us to modify certain features that we currently offer.

We cannot predict with any degree of certainty the outcome of this matter or determine the extent of any potential liabilities. We also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Product Liability Matters

Beginning on March 24, 2026, the first of fourteen lawsuits focused primarily on product liability claims was filed by individual plaintiffs in state courts in Massachusetts, Illinois, New Jersey and Pennsylvania against DraftKings Inc., and its related individuals and entities, and in certain instances, FanDuel, Inc., and other third parties. The complaints allege, among other things, that DraftKings' online betting platforms are defectively designed and unreasonably dangerous because they allegedly incorporate features intended to encourage continuous betting and compulsive gaming. Plaintiffs also allege that the DraftKings defendants failed to adequately warn users about the risks associated with the use of the platforms and engaged in deceptive and unfair conduct through the use of, among other things, targeted promotions and wagering opportunities, notifications, data-driven personalization, and "VIP" programs. The complaints assert various claims under state tort and statutory laws and assert claims for personal monetary losses and actual, compensatory, statutory and/or punitive damages for alleged emotional, financial and physical harms. DraftKings has filed preliminary objections in four of the Pennsylvania cases.

The Company intends to vigorously defend these cases. Any adverse outcome in any one of these matters could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of any one of these matters.

The Company cannot predict with any degree of certainty the outcome of these suits or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible losses or ranges of losses. Any adverse outcome in one of these matters could expose the Company to substantial damages that may have a material adverse impact on the Company's operations and cash flows.

Interactive Games II

On April 2, 2026, Interactive Games LLC ("Interactive Games") filed a complaint against DraftKings Inc. in the United States District Court for the District of Massachusetts alleging that DraftKings' offerings infringe five patents. The following U.S. Patents are asserted against DraftKings' mobile apps in the complaint: (1) U.S. Patent No. 12,409,382, entitled "Smart phone with wrapper application that checks whether the smart phone may use a gambling application"; (2) U.S. Patent No. 8,974,302, entitled "Multi-process communication regarding gaming information"; (3) U.S. Patent No. 12,548,404, entitled "Multi-level device verification for mobile gambling applications"; (4) U.S. Patent No. 12,400,518, entitled "System for facilitating online wagering with nearby mobile phones"; and (5) U.S. Patent No. 12,406,284, entitled "Mobile device proximity tracking for selective content delivery and formatting" (collectively, the "Interactive Games Patents"). On June 23, 2026, the Company filed a motion to dismiss, which remains pending.

We intend to vigorously defend this case. In the event that a court ultimately determines that we are infringing the asserted patents, we may be subject to substantial damages, which may include treble damages and/or an injunction that could require us to modify certain features that we currently offer.

We cannot predict with any degree of certainty the outcome of this matter or determine the extent of any potential liabilities. We also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Farley

On April 27, 2026, plaintiffs John Farley and Michael Fox, individually and on behalf of all others similarly situated, filed a purported class action complaint against DraftKings Inc. and certain FanDuel-related entities in the United States District Court for the Southern District of New York.

The plaintiffs allege, among other things, that DraftKings' online sports wagering platform is improperly designed and operated and incorporates features intended to encourage compulsive gaming. The plaintiffs further allege that DraftKings engaged in deceptive and unfair conduct through the use of targeted promotions, bonus bet promotions, repeated notifications, and data-driven personalization.

The plaintiffs assert claims for violation of New York General Business Law §§ 349 and 350, negligence, and unjust enrichment. The plaintiffs seek, among other things, unspecified compensatory damages, restitution, disgorgement, injunctive relief, attorneys' fees and costs. The plaintiffs seek to certify a nationwide class and a New York subclass of users who allegedly maintained sportsbook accounts on defendants' sportsbook platforms, were exposed to their promotions, live or in-game betting features, or repeated wagering communications and who deposited money, placed wagers or suffered losses on the platforms. On August 17, 2026, the District Court intends to hold a hearing to determine whether defendants may file a motion to dismiss.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

National Collegiate Athletic Association

On March 20, 2026, the National Collegiate Athletic Association ("NCAA") filed a complaint against DraftKings in the U.S. District Court for the Southern District of Indiana. Plaintiff alleges, among other things, that DraftKings' use of "March Mania," "March Madness," "Elite 8," and "Final 4" on DraftKings Network and in DraftKings' sportsbook platform constitutes trademark infringement, unfair competition, and dilution under the federal Lanham Act. On March 23, 2026, plaintiff filed a motion for a temporary restraining order seeking to prevent DraftKings from using certain alleged NCAA trademarks during the then-pending NCAA college basketball tournaments. On March 26, 2026, the District Court denied plaintiff's motion, holding that, although plaintiff had shown a sufficient likelihood of success on the merits on the preliminary record, the NCAA failed to show irreparable harm in view of the widespread use of the same phrases by DraftKings and numerous third parties over many years.

In an amended complaint filed on June 5, 2026, plaintiff added new allegations asserting similar claims with respect to the NCAA's alleged "Sweet 16" trademark. Plaintiff seeks declaratory and injunctive relief, as well as disgorgement, damages, treble damages, and attorney's fees and costs. On June 22, 2026, DraftKings filed its answer to the amended complaint.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Chan

On July 28, 2026, plaintiff Michael Chan filed a putative class action complaint against DraftKings Inc. and GUS III LLC ("GUS III") in the U.S. District Court for the District of Massachusetts. Plaintiff alleges, among other things, that DraftKings Predictions offers unlawful sports betting. Specifically, Plaintiff alleges that event contracts on sporting events are unlawful in Alabama, California, Florida, Georgia, Minnesota, New Mexico, South Carolina, and Texas (the "Relevant States").

Plaintiff asserts claims against DraftKings and GUS III for unjust enrichment and violation of California's Unfair Competition Law. Plaintiff seeks to represent classes of (1) all persons in the Relevant States who spent money allegedly wagering on sports on DraftKings Predictions; and (2) all persons in California who spent money allegedly wagering on sports on DraftKings Predictions. Plaintiff seeks declaratory and injunctive relief, damages, restitution and disgorgement. DraftKings has not yet been served or responded to the complaint.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Hughes

On July 29, 2026, plaintiff James M. Hughes filed a complaint against DraftKings Inc., GUS III LLC d/b/a DraftKings Predictions, and several other defendants, in the Court of Common Pleas for Charleston County, South Carolina. Plaintiff alleges, among other things, that defendants operate unlawful sports prediction markets in South Carolina through platforms that facilitate sports event contracts, which plaintiff contend constitute illegal sports gambling under South Carolina law. Plaintiff brings the action pursuant to South Carolina's Statute of Anne (S.C. Code Ann. § 32-1-20), which plaintiff contends authorizes any person to seek recovery of alleged illegal gambling losses on behalf of South Carolina residents who did not commence suit within the statutory period. Plaintiff seeks an accounting of all qualifying losses, statutory recovery of those losses, treble damages, attorneys' fees and costs, declaratory relief, injunctive relief, and other relief authorized by statute. DraftKings has not yet responded to the complaint.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Gordon

On August 3, 2026, Plaintiffs Jason Gordon, Arie Weissman, and Johnny Harris filed a putative class action complaint against DraftKings Inc. and GUS III LLC in the U.S. District Court for the District of Massachusetts. Plaintiffs allege, among other things, that DraftKings Predictions offers unlawful sports betting. Specifically, Plaintiff alleges that event contracts on sporting events are unlawful in Alabama, Alaska, California, Florida, Georgia, Hawaii, Idaho, Nebraska, New Mexico, North Dakota, Oklahoma, Rhode Island, South Carolina, Texas, and Utah (the "Relevant States").

Plaintiffs assert claims against DraftKings and GUS III for unjust enrichment and for violations of Massachusetts's gambling loss recovery statute, Mass. Gen. Laws ch. 137, § 1, Massachusetts's consumer protection act, Mass. Gen. Laws ch. 93A, Texas's gaming laws, Tex. Penal Code § 47.01, Texas's Deceptive Trade Practices Act, California's Gambling Control Act, and California's Unfair Competition Law. Plaintiff seeks to represent classes of (1) all persons in the Relevant States who spent money by purchasing sports-related event contracts on DraftKings Predictions; and (2) all persons in each of the Relevant States who spent money by purchasing sports-related event contracts on DraftKings Predictions. Plaintiff seeks declaratory and injunctive relief, damages, punitive damages, statutory damages, multiple damages, attorneys' fees, restitution, disgorgement, and an accounting. DraftKings has not yet responded to the complaint.

The Company intends to vigorously defend this case. Any adverse outcome in this matter could subject the Company to substantial damages and/or require alterations to the Company's business. The Company cannot provide any assurance as to the outcome of this matter.

The Company cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The Company also cannot provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

Other Litigation

In addition to the above actions, we are subject to various other legal proceedings and claims that arise in the ordinary course of business. In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial condition, results of operations or liquidity, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

Internal Revenue Service

The Company is currently under Internal Revenue Service audit for prior tax years, with the primary unresolved issues relating to excise taxation of fantasy sports contests and informational reporting and withholding. Certain examinations have progressed further in the administrative process. The Company continues to dispute the assessments and is actively pursuing administrative remedies and intends to vigorously defend its positions. The Company is unable to predict the outcome of these proceedings at this time and cannot reasonably estimate the potential loss or range of loss, if any. The final resolution of these audits, and any related proceedings, may differ from the amounts recorded in these consolidated financial statements and may materially affect the Company's results of operations in the period or periods in which that determination is made.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Report") and the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as filed with the SEC on February 13, 2026 (the "2025 Annual Report").

Cautionary Statement Regarding Forward-Looking Statements

This Report contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 that reflect future plans, estimates, beliefs and expected performance. The forward-looking statements depend upon events, risks and uncertainties that may be outside of our control. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would," "forecast," "propose" and similar expressions or the negative of these words, or statements of vision, strategy or outlook, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Our historical results are not necessarily indicative of the results that may be expected for any events in the future as our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control, and, consequently, our actual results may differ materially from those projected.

Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" included elsewhere in this Report. Any statements contained herein that are not statements of historical fact may be forward-looking statements, such as:

- factors relating to our business, operations and financial performance, including:
    - our ability to develop and market new offerings, including prediction markets;
    - our ability to effectively compete in the global sports and gaming and emerging prediction markets industries;
    - our ability to successfully acquire and integrate new operations;
    - our ability to obtain and maintain licenses with gaming authorities; and
    - our inability to recognize deferred tax assets and tax loss carryforwards;
- market and global conditions and economic factors beyond our control, as well as the potential impact of general economic conditions and the potential impact of new and existing laws, regulations or policies, including those related to tariffs, import/export or trade restrictions, volatile inflation and interest rates, on our liquidity, operations and personnel;
- significant competition and competitive pressures from other companies worldwide in the industries in which we operate, including in the emerging prediction markets industry;
- our ability to raise financing in the future;
- the timing, amount or duration of the Company's stock repurchase program;
- our success in retaining or recruiting officers, key employees or directors; and
- litigation and the ability to adequately protect our intellectual property rights.

In addition to these risks, other factors that could cause or contribute to such differences include those set forth under the caption "Risk Factors" in our 2025 Annual Report. Due to the uncertain nature of these factors, management cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any of these statements to reflect events or circumstances occurring after the date of this Report, except as required by applicable law. New factors may emerge, and it is not possible to predict all factors that may affect our business and prospects.

Website and Social Media Disclosure

We disclose information about the Company, our business and other matters using our investor relations website (https://ir.aboutdraftkings.com) and may, from time to time, use our DraftKingsNews X account (@DraftKingsNews) to disclose such information. The information we post through these channels may be deemed material. Accordingly, investors and the public should monitor these channels, in addition to our SEC filings, press releases and public conference calls and webcasts. The contents of our investor relations website and our DraftKingsNews X account are not, however, a part of this Report. Information contained on DraftKings' website or connected thereto is provided for textual reference only and does not constitute part of, and is not incorporated by reference into, this Report.

Our Business

We are a digital sports and gaming company. We provide users with online and retail sports betting (together, "Sportsbook"), online casino ("iGaming"), daily fantasy sports ("Fantasy"), digital lottery courier ("Lottery"), prediction markets ("Prediction Markets"), and other offerings.

Our mission is to make life more exciting by responsibly creating the world's favorite real-money games, betting experiences and event contracts trading. We accomplish this by creating an environment where our users can find enjoyment and fulfillment through Sportsbook, iGaming, Fantasy, Lottery and Prediction Markets, as well as our other offerings. We are also highly focused on our responsibility as a steward of gaming. Our ethics guide our decision making, with respect to both the tradition and integrity of sports and our investments in regulatory compliance and consumer protection.

We continue to make deliberate and substantial investments in support of our mission and long-term growth. For example, we have invested in our offerings and technology in order to continuously launch new offering innovations; improve marketing, merchandising, and operational efficiency through data science; and deliver a great user experience. We also make significant investments in sales and marketing and incentives to grow and retain our paid user base, including personalized offers and promotions, and promote brand awareness to attract the "skin-in-the-game" sports fan. Together, these investments have enabled us to create a leading offering built on scalable technology, while attracting a user base that has resulted in the rapid growth of our business.

Our priorities are to (a) continue to invest in our offerings, (b) launch our offerings in new jurisdictions, (c) create replicable and predictable jurisdiction-level unit economics in Sportsbook and iGaming and (d) expand our offerings. When we launch our offerings in a new jurisdiction, we invest heavily in customer acquisition, user retention and cross-selling until the new jurisdiction provides a critical mass of users engaged across our offerings.

Our current technology is highly scalable with relatively minimal incremental spend required to launch our offerings in new jurisdictions. We will continue to manage our fixed-cost base in conjunction with our market entry plans and focus our variable spend on marketing, user experience and support and regulatory compliance to become the offering of choice for users and to maintain favorable relationships with regulators. We also expect to improve our profitability over time as our revenue and gross profit expand as jurisdictions mature, and our variable marketing expenses and fixed costs stabilize or grow at a slower rate.

Our path to increase profitability on an annual basis is based on the acceleration of positive contribution profit growth driven by increased revenue and gross profit generation from ongoing efficient customer acquisition, strong user retention, improved monetization from frequency and higher net revenue margin, as well as scale benefits from investments in our offerings and technology and general and administrative functions. In any given period, we expect to achieve profitability on a consolidated Adjusted EBITDA basis when total contribution profit exceeds the fixed costs of our business, which depends, in part, on the percentage of the U.S. adult population that has access to our offerings and the other factors summarized in the section entitled "Cautionary Statement Regarding Forward-Looking Statements."

Financial Highlights and Trends

The following table sets forth a summary of our financial results for the periods indicated:

(amounts in thousands, except per share amounts)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenue	$ 1,443,235	$ 1,512,507	$ 3,089,311	$ 2,921,313
Net Income (Loss)	(67,610)	157,936	(46,540)	124,072
Adjusted EBITDA [(1)]	114,597	300,644	282,450	403,273
Basic Earnings (Loss) Per Share	(0.14)	0.32	(0.09)	0.25
Diluted Earnings (Loss) Per Share	(0.14)	0.30	(0.09)	0.23
Adjusted Diluted Earnings (Loss) Per Share [(2)]	0.09	0.38	0.29	0.50

(1) Adjusted EBITDA is a non-GAAP financial measure. See "—Non-GAAP Information" below for additional information about this measure and a reconciliation of this measure to the most directly comparable financial measure calculated in accordance with U.S. GAAP.

(2) Adjusted Diluted Earnings (Loss) Per Share is a non-GAAP financial measure. See "—Non-GAAP Information" below for additional information about this measure and a reconciliation of this measure to the most directly comparable financial measure calculated in accordance with U.S. GAAP.

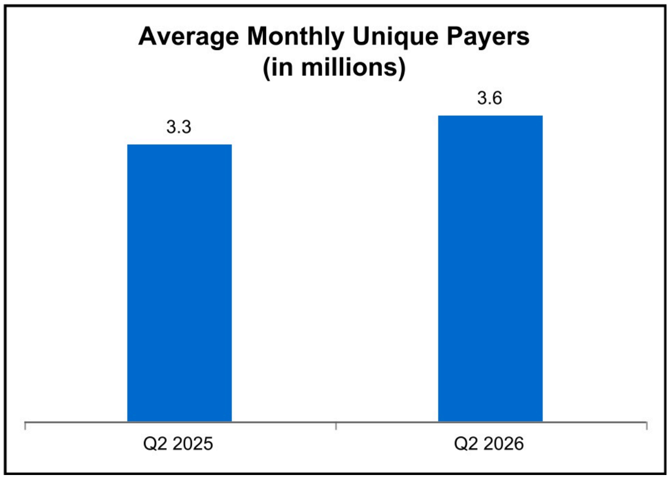
Revenue decreased by $69.3 million in the three months ended June 30, 2026, compared to the three months ended June 30, 2025, primarily due to lower revenue from our Sportsbook and Prediction Markets offerings (together, "Sports"), driven by customer-friendly sports outcomes and increased promotional reinvestment associated with new customer acquisition on our Sports offering. Revenue increased by $168.0 million in the six months ended June 30, 2026, compared to the six months ended June 30, 2025, primarily due to the strong performance of our Sports and iGaming offerings as a result of continued healthy user engagement and efficient acquisition of new customers.

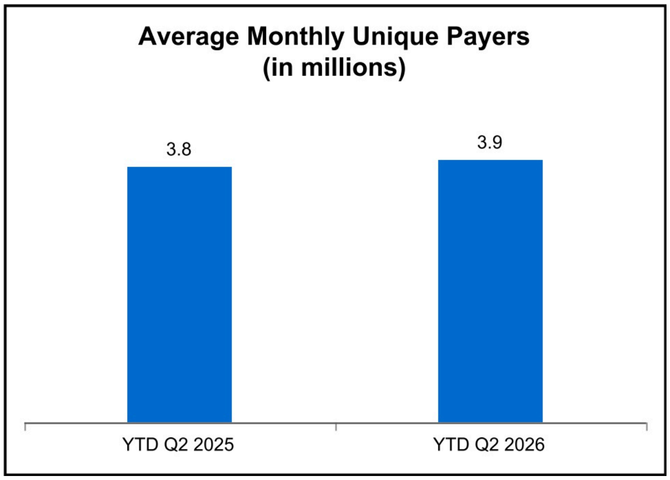
Key Performance Indicators

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, Fantasy, Lottery, Prediction Markets or other offerings via our technology. For reported periods longer than one month, we average the MUPs for the months in the reported period. Although the number of unique paid users includes those users that have participated in a real-money, paid engagement using only promotional incentives (which has not been a material number of users to date), which are fungible with other funds deposited into their wallets on our technology, it does not include users who have made a deposit but have not yet had a real-money, paid engagement.

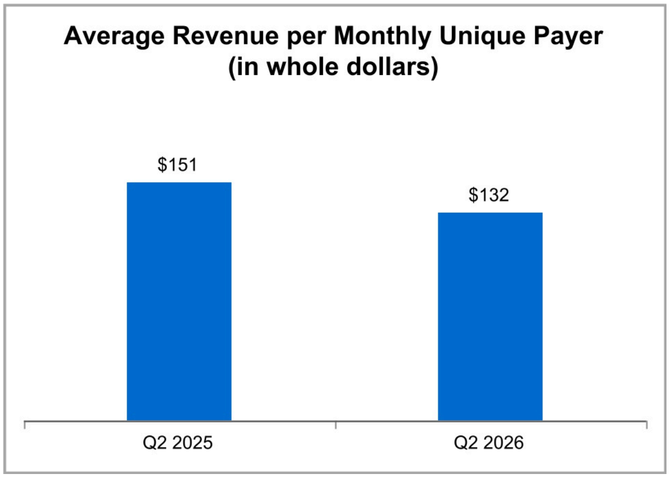
MUPs is a key indicator of the scale of our user base and awareness of our brand. We believe that year-over-year growth in MUPs is also generally indicative of the long-term revenue growth potential of our offerings, although MUPs in individual periods may be less indicative of our longer-term expectations. We expect the number of MUPs to grow as we attract, retain and re-engage users in new and existing jurisdictions and expand our offerings to appeal to a wider audience.

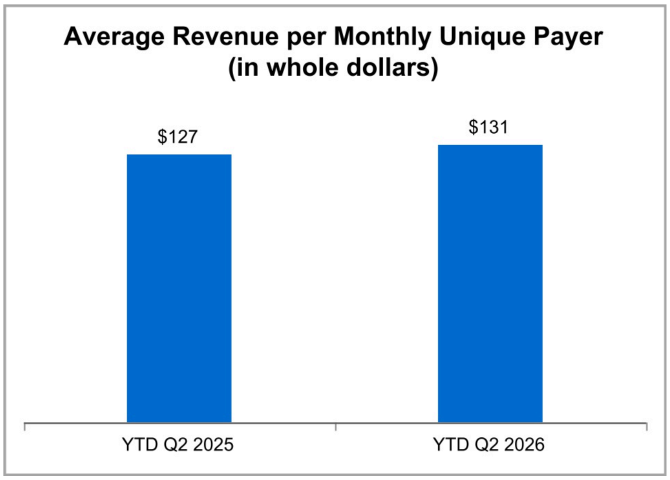
The charts below present our average MUPs for the three and six months ended June 30, 2025 and 2026:





Average Revenue per MUP ("ARPMUP"). We define and calculate ARPMUP as the average monthly revenue for a reporting period divided by the average number of MUPs for the same period. ARPMUP is a key indicator of our ability to drive usage and monetization of our offerings. The charts below present our ARPMUP for the three and six months ended June 30, 2025 and 2026:





MUPs increased 0.3 million, or 9.1%, and 0.1 million, or 2.6%, in the three and six months ended June 30, 2026, compared to the three and six months ended June 30, 2025, primarily due to unique payer retention and new customer acquisition on our Sportsbook offering, primarily related to engagement on the NBA Finals and FIFA World Cup, and on our Prediction Markets offering, which launched in December 2025.

ARPMUP decreased by $19, or 12.6%, for the three months ended June 30, 2026, compared to the three months ended June 30, 2025, primarily due to customer-friendly sports outcomes and new customer promotions impacting revenue on our Sportsbook and Prediction Markets offerings. ARPMUP increased $4, or 3%, for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, primarily due to a higher percentage of customers engaging with multiple offerings resulting in higher revenue per customer.

Sports Consumer Volume. We define Sports Consumer Volume as the total amount of settled customer wagers or trades on our Sportsbook and Prediction Markets offerings. Sports Consumer Volume excludes the volume from market makers on our

Prediction Markets offering. Sports Consumer Volume provides useful information to investors and management as it is a key indicator of customer engagement that is not impacted by variability of sports outcomes and provides important insight into underlying growth trends. We do not utilize volume information to track performance of our iGaming offering because iGaming is generally not subject to the same variability in outcomes.

Sports Net Revenue Margin. We define Sports Net Revenue Margin as Sports revenue as a percentage of Sports Consumer Volume. Sports revenue includes revenue from our Sportsbook and Prediction Markets offerings. This provides useful information to investors and management as it is a key indicator in measuring the combined impact of our overall margin on our Sports offering and promotional reinvestment.

The tables below presents our Sports Consumer Volume, Sports Net Revenue Margin, and revenue disaggregation for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			
(amounts in thousands)	2026	2025	$ Change	% Change
Sports Consumer Volume	$ 13,140,417	$ 11,474,841	$ 1,665,576	14.5 %
Sports Revenue	891,883	997,872	(105,989)	(10.6) %
Sports Net Revenue Margin	6.8%	8.7%	N/A	N/A
Sports Revenue	$ 891,883	$ 997,872	$ (105,989)	(10.6) %
iGaming Revenue	461,930	429,660	32,270	7.5 %
Other Revenue	89,422	84,975	4,447	5.2 %
Total Revenue	**$ 1,443,235**	**$ 1,512,507**	**$ (69,272)**	**(4.6)%**

	Six Months Ended June 30,			
(amounts in thousands)	2026	2025	$ Change	% Change
Sports Consumer Volume	$ 27,342,115	$ 25,355,232	$ 1,986,883	7.8 %
Sports Revenue	1,986,436	1,879,829	106,607	5.7 %
Sports Net Revenue Margin	7.3%	7.4 %	N/A	N/A
Sports Revenue	$ 1,986,436	$ 1,879,829	$ 106,607	5.7 %
iGaming Revenue	923,230	853,131	70,099	8.2 %
Other Revenue	179,645	188,353	(8,708)	(4.6) %
Total Revenue	**$ 3,089,311**	**$ 2,921,313**	**$ 167,998**	**5.8 %**

Sports Consumer Volume increased by $1.7 billion, or 14.5%, to $13.1 billion in the three months ended June 30, 2026, from $11.5 billion in the three months ended June 30, 2025, and increased by $2.0 billion, or 7.8%, to $27.3 billion in the six months ended June 30, 2026, from $25.4 billion in the six months ended June 30, 2025. These increases are primarily due to an increase in MUPs due to unique payer retention and acquisition on our Sportsbook offering, primarily related to engagement on the NBA Finals and FIFA World Cup as well as new customer acquisition on our Prediction Markets offering, which launched in December 2025.

Sports Net Revenue Margin decreased by 1.9 percentage points, to 6.8% in the three months ended June 30, 2026, from 8.7% in the three months ended June 30, 2025, primarily due to customer-friendly sports outcomes and higher promotions associated with new customers on our Sportsbook offering and Prediction Markets offering. Sports Net Revenue Margin remained consistent at 7.3% in the six months ended June 30, 2026, compared to 7.4% in the six months ended June 30, 2025 primarily driven by a higher hold percentage on our Sportsbook offering, offset by higher promotions related to customer acquisition.

iGaming revenue increased $32.3 million, or 7.5%, to $461.9 million in the three months ended June 30, 2026, from $429.7 million in the three months ended June 30, 2025, and increased by $70.1 million, or 8.2%, to $923.2 million in the six months ended June 30, 2026, from $853.1 million in the six months ended June 30, 2025. The increase is primarily due to improved promotional reinvestment and an increase in MUPs for the iGaming offering.

Other revenue increased $4.4 million, or 5.2%, to $89.4 million in the three months ended June 30, 2026, from $85.0 million in the three months ended June 30, 2025, primarily due to the increased revenues from the new Keno offering within the Lottery offering. Other revenue decreased $8.7 million, or 4.6%, to $179.6 million in the six months ended June 30, 2026, from $188.4 million in the six months ended June 30, 2025, primarily due to a reduction in Fantasy entry fees and lower Lottery revenue following our exit from the Texas market.

Non-GAAP Information

This Report includes Adjusted EBITDA and Adjusted Diluted Earnings (Loss) Per Share, which are non-GAAP financial measures that we use to supplement our results presented in accordance with U.S. GAAP. We believe Adjusted EBITDA and Adjusted Diluted Earnings (Loss) Per Share are useful in evaluating our operating performance, similar to measures reported by our 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 and Adjusted Diluted Earnings (Loss) Per Share are not intended to be substitutes for any U.S. GAAP financial measure. As calculated, they 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, as described in the reconciliation below.

We define and calculate Adjusted Diluted Earnings (Loss) Per Share as diluted earnings (loss) per share attributable to common stockholders adjusted for 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; other non-recurring and non-operating costs or income; and the tax impact of adjusting items, as described in the reconciliation below. The weighted-average shares outstanding used in the calculation of diluted earnings (loss) per share are the GAAP weighted-average diluted shares reported in the consolidated financial statements and are not adjusted.

We include non-GAAP financial measures because they are used by management to evaluate our core operating performance and trends and to make decisions regarding the allocation of capital and new investments. Adjusted EBITDA and Adjusted Diluted Earnings (Loss) Per Share exclude certain expenses that are required in accordance with U.S. 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 depreciation and amortization, remeasurement of warrant liabilities and stock-based compensation), or non-operating items which are not related to our underlying business performance (for example, in the case of interest income and expense and litigation, settlement and related costs).

Adjusted EBITDA

The table below presents our net income (loss), which is the most directly comparable financial measure calculated in accordance with U.S. GAAP, reconciled to Adjusted EBITDA for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	2026	2025	2026	2025
Net income (loss)	**$ (67,610)**	**$ 157,936**	**$ (46,540)**	**$ 124,072**
Adjusted for:				
Depreciation and amortization [(1)]	80,342	65,299	152,003	135,415
Interest (income) expense, net	7,434	(665)	13,173	(5,060)
Income tax (benefit) provision	(1,797)	11,790	4,572	6,190
Stock-based compensation [(2)]	82,554	84,701	147,769	163,547
Transaction-related costs [(3)]	—	—	—	—
Litigation, settlement, and related costs [(4)]	—	—	—	—
Advocacy and other related legal expenses [(5)]	19,875	—	46,238	—
Loss (gain) on remeasurement of warrant liabilities	—	5,851	—	3,356
Other non-recurring costs and non-operating costs (income) [(6)]	(6,201)	(24,268)	(34,765)	(24,247)
Adjusted EBITDA	**$ 114,597**	**$ 300,644**	**$ 282,450**	**$ 403,273**

(1) The amounts include the amortization of acquired intangible assets of $37.6 million and $36.4 million for the three months ended June 30, 2026 and 2025, respectively, and $75.1 million and $79.1 million for the six months ended June 30, 2026 and 2025, 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 the evaluation, negotiation, and consummation of transactions and offerings that are under consideration, pending, or completed, as well as integration costs related to acquisitions.

(4) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to our ordinary-course business operations.

(5) Reflects non-recurring and non-ordinary course costs relating to advocacy efforts primarily in pursuit of legalization of DraftKings offerings. For the three and six months ended June 30, 2026, this spend primarily relates to legislative efforts for legalizing iGaming, supporting a ballot measure for legalizing Sportsbook, and other advocacy activities related to certain states. Advocacy and legal expenses incurred in the ordinary course of business have not been adjusted in this measure.

(6) Primarily includes the change in fair value of certain assets and liabilities, including contingent consideration, as well as our equity method share of investee's gains and losses and other costs relating to non-recurring and non-operating items.

Adjusted Diluted Earnings (Loss) Per Share

The table below presents the Company's Adjusted Diluted Earnings (Loss) Per Share reconciled to its diluted earnings (loss) per share attributable to common stockholders, which is the most directly comparable financial measure calculated in accordance with U.S. GAAP, for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Diluted earnings (loss) per share attributable to common stockholders	**$ (0.14)**	**$ 0.30**	**$ (0.09)**	**$ 0.23**
Adjusted for:				
Amortization of acquired intangible assets (1)	0.08	0.07	0.15	0.15
Stock-based compensation (2)	0.17	0.16	0.30	0.31
Transaction-related costs (3)	—	—	—	—
Litigation, settlement, and related costs (4)	—	—	—	—
Advocacy and other related legal expenses (5)	0.04	—	0.09	—
Loss (gain) on remeasurement of warrant liabilities	—	0.00	—	0.00
Other non-recurring and non-operating costs (income)	(0.01)	(0.04)	(0.05)	(0.04)
Tax impact of adjusting items (6)	(0.05)	(0.11)	(0.10)	(0.16)
Adjusted Diluted Earnings (Loss) Per Share*	**$ 0.09**	**$ 0.38**	**$ 0.29**	**$ 0.50**

* Weighted average diluted number of shares used to calculate Adjusted Diluted Earnings (Loss) Per Share for the three months ended June 30, 2026 and 2025 was 496.1 million and 529.5 million, respectively, and for the six months ended June 30, 2026 and 2025 was 495.2 million and 529.6 million, respectively; totals may not add due to rounding.

(1) The amounts include the amortization of acquired intangible assets of $37.6 million and $36.4 million for the three months ended June 30, 2026 and 2025, respectively, and $75.1 million and $79.1 million for the six months ended June 30, 2026 and 2025, 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 the evaluation, negotiation, and consummation of transactions and offerings that are under consideration, pending, or completed, as well as integration costs related to acquisitions.

(4) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to our ordinary-course business operations.

(5) Reflects non-recurring and non-ordinary course costs relating to advocacy efforts primarily in pursuit of legalization of DraftKings offerings. For the three and six months ended June 30, 2026, this spend primarily relates to legislative efforts for legalizing iGaming, supporting a ballot measure for legalizing Sportsbook, and other advocacy activities related to certain states. Advocacy and legal expenses incurred in the ordinary course of business have not been adjusted in this measure.

(6) Beginning in the first quarter of 2025, the Company began applying an estimated non-GAAP effective tax rate, which was 23% in 2025 and is 28% as of the second quarter of 2026. The non-GAAP effective tax rate reflects the non-GAAP tax provision commensurate with the Company's level of non-GAAP profitability, which was determined after adjusting for the non-GAAP adjustments presented above and excluding the impact of changes in the valuation allowance.

Results of Operations

Three Months Ended June 30, 2026 Compared to the Three Months Ended June 30, 2025

The following table sets forth a summary of our consolidated results of operations for the interim periods indicated, and the changes between periods:

	Three Months Ended June 30,			
(amounts in thousands, except percentages)	2026	2025	$ Change	% Change
Revenue	**$ 1,443,235**	**$ 1,512,507**	**$ (69,272)**	**(4.6)%**
Cost of revenue	891,782	854,559	37,223	4.4 %
Sales and marketing	322,536	233,187	89,349	38.3 %
Product and technology	127,649	108,417	19,232	17.7 %
General and administrative	169,442	165,700	3,742	2.3 %
Income (loss) from operations	**(68,174)**	**150,644**	**(218,818)**	**(145.3)%**
Interest income (expense), net	(7,434)	665	(8,099)	n.m.
Gain (loss) on remeasurement of warrant liabilities	—	(5,851)	5,851	n.m.
Other gain (loss), net	3,750	24,459	(20,709)	n.m.
Income (loss) before income tax and equity method investments	**(71,858)**	**169,917**	**(241,775)**	**n.m.**
Income tax provision (benefit)	(1,797)	11,790	(13,587)	n.m.
(Gain) loss from equity method investments	(2,451)	191	(2,642)	n.m.
Net income (loss) attributable to common stockholders	**$ (67,610)**	**$ 157,936**	**$ (225,546)**	**(142.8)%**

n.m. = not meaningful

Revenue. Revenue decreased by $69.3 million, or 4.6%, to $1,443.2 million in the three months ended June 30, 2026, from $1,512.5 million in the three months ended June 30, 2025. The decrease was primarily attributable to our Sports revenue, which decreased $106.0 million, or 10.6%, due to a reduction in our Sports Net Revenue Margin of 1.9 percentage points primarily due to customer-friendly sports outcomes and higher promotions associated with new customers on our Sportsbook and Prediction Markets offerings. The decrease was partially offset by our iGaming offering, which increased $32.3 million, or 7.5%, due to improved promotional reinvestment.

Cost of Revenue. Cost of revenue increased $37.2 million, or 4.4%, to $891.8 million in the three months ended June 30, 2026, from $854.6 million in the three months ended June 30, 2025. The increase was primarily due to an increase in our variable expenses, such as gaming taxes and payment processing fees, which increased $17.7 million and $4.1 million, respectively. The remaining increase was primarily attributable to an increase in amortization of intangible assets of $14.5 million.

Cost of revenue as a percentage of revenue increased by 5.3 percentage points to 61.8% in the three months ended June 30, 2026, as compared to 56.5% in the three months ended June 30, 2025, primarily attributable to an increase in gaming taxes due to tax rate increases in certain states.

Sales and Marketing. Sales and marketing expense increased $89.3 million, or 38.3%, to $322.5 million in the three months ended June 30, 2026, from $233.2 million in the three months ended June 30, 2025, primarily due to higher external marketing costs, including increased customer acquisition costs associated with the FIFA World Cup, the NBA Playoffs, and the launch of our Super App and Prediction Markets offering.

Product and Technology. Product and technology expense increased $19.2 million, or 17.7%, to $127.6 million in the three months ended June 30, 2026, from $108.4 million in the three months ended June 30, 2025, primarily due to higher software and licensing costs and increased employee compensation, including stock-based compensation, in our product and engineering departments.

General and Administrative. General and administrative expense increased by $3.7 million, or 2.3%, to $169.4 million in the three months ended June 30, 2026, from $165.7 million in the three months ended June 30, 2025. The increase was primarily driven by a $19.9 million increase in advocacy and other related legal expenses recognized in the three months ended June 30, 2026, partially offset by lower stock-based compensation expense of $9.5 million.

Interest Income (Expense), net. We recorded net interest expense of $7.4 million in the three months ended June 30, 2026, compared to $0.7 million of net interest income in the three months ended June 30, 2025. This fluctuation was primarily due to decreased interest income as a result of the inclusion of interest income on customer deposits in revenue in the three months ended June 30, 2026 rather than in interest income in the three months ended June 30, 2025.

Gain (Loss) on Remeasurement of Warrant Liabilities. As all warrants were exercised or expired as of December 31, 2025, there was no remeasurement of warrant liabilities in the three months ended June 30, 2026, compared to a $5.9 million loss in the three months ended June 30, 2025.

Other Gain (Loss), net. We recorded a net gain of $3.8 million in the three months ended June 30, 2026, as compared to a $24.5 million gain in the three months ended June 30, 2025. The decrease was primarily attributable to larger gains on the revaluation of contingent consideration for the three months ended June 30, 2025 compared to the three months ended June 30, 2026.

Income Tax Provision (Benefit). We recorded an income tax benefit of $1.8 million in the three months ended June 30, 2026, as compared to an income tax expense of $11.8 million in the three months ended June 30, 2025. Although we have a cumulative three year loss position, based on our recent financial performance and our future projections, we could record a reversal of all, or a portion of, the valuation allowance associated with U.S. deferred tax assets in future periods. However, any such change is subject to actual performance and other considerations that may present positive or negative evidence at the time of the assessment.

Net Income (Loss). Net income decreased by $225.5 million to a net loss of $67.6 million in the three months ended June 30, 2026, as compared to a net income of $157.9 million in the three months ended June 30, 2025, for the reasons discussed above.

Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

	Six Months Ended June 30,			
(amounts in thousands, except percentages)	**2026**	**2025**	**$ Change**	**% Change**
Revenue	**$ 3,089,311**	**$ 2,921,313**	**$ 167,998**	**5.8 %**
Cost of revenue	1,841,167	1,698,362	142,805	8.4 %
Sales and marketing	724,270	576,867	147,403	25.6 %
Product and technology	250,825	211,677	39,148	18.5 %
General and administrative	335,376	330,094	5,282	1.6 %
Income (loss) from operations	**(62,327)**	**104,313**	**(166,640)**	**(159.7)%**
Interest income (expense), net	(13,173)	5,060	(18,233)	n.m.
Gain (loss) on remeasurement of warrant liabilities	—	(3,356)	3,356	n.m.
Other gain (loss), net	26,564	24,481	2,083	n.m.
Income (loss) before income tax and equity method investments	**(48,936)**	**130,498**	**(179,434)**	**n.m.**
Income tax provision (benefit)	4,572	6,190	(1,618)	n.m.
(Gain) loss from equity method investments	(6,968)	236	(7,204)	n.m.
Net income (loss) attributable to common stockholders	**$ (46,540)**	**$ 124,072**	**$ (170,612)**	**(137.5)%**

*Revenu*e. Revenue increased by $168.0 million, or 5.8%, to $3,089.3 million in the six months ended June 30, 2026, from $2,921.3 million in the six months ended June 30, 2025. The increase was primarily attributable to our Sports revenue, which increased $106.6 million, or 5.7%, due to higher Sports Consumer Volume, primarily driven by an increase in MUPs due to unique payer retention and acquisition on our Sportsbook offering as well as new customer acquisition on our Prediction Markets offering, which launched in December 2025. Our iGaming offering also increased $70.1 million, or 8.2%, due to improved promotional reinvestment.

Cost of Revenue. Cost of revenue increased $142.8 million, or 8.4%, to $1,841.2 million in the six months ended June 30, 2026, from $1,698.4 million in the six months ended June 30, 2025. The increase was primarily due to an increase in our variable expenses, such as gaming taxes and platform costs, which increased $103.8 million and $17.8 million, respectively. The remaining increase was primarily attributable to an increase in amortization of intangible assets of $15.4 million.

Cost of revenue as a percentage of revenue increased by 1.5 percentage points to 59.6% in the six months ended June 30, 2026, as compared to 58.1% in the six months ended June 30, 2025, primarily attributable to an increase in promotional reinvestment around new customer acquisition for our Sportsbook and Prediction Markets offerings.

Sales and Marketing. Sales and marketing expense increased $147.4 million, or 25.6%, to $724.3 million in the six months ended June 30, 2026, from $576.9 million in the six months ended June 30, 2025, primarily due to higher external marketing costs, including increased customer acquisition costs associated with the Super Bowl, FIFA World Cup, the NBA Playoffs, the recent launches in Missouri and Arkansas, and the recent launch of our Prediction Markets offering.

Product and Technology. Product and technology expense increased $39.1 million, or 18.5%, to $250.8 million in the six months ended June 30, 2026, from $211.7 million in the six months ended June 30, 2025, due to increased compensation, including stock-based compensation, for employees in our product and engineering departments.

General and Administrative. General and administrative expense increased by $5.3 million, or 1.6%, to $335.4 million in the six months ended June 30, 2026, from $330.1 million in the six months ended June 30, 2025. The increase was primarily driven by a $46.2 million increase in advocacy and other related legal expenses, partially offset by a $38.0 million decrease in compensation expense, of which $32.0 million related to stock-based compensation.

Interest Income (Expense), net. We recorded net interest expense of $13.2 million in the six months ended June 30, 2026, compared to $5.1 million of net interest income in the six months ended June 30, 2025. This fluctuation was primarily due to increased interest expense as a result of the Term B Loan that was entered into in March 2025 and the inclusion of interest income on customer deposits in revenue in the six months ended June 30, 2026 rather than in interest income in the six months ended June 30, 2025.

Gain (Loss) on Remeasurement of Warrant Liabilities. As all warrants were exercised or expired as of December 31, 2025, there was no remeasurement of warrant liabilities in the six months ended June 30, 2026, compared to a $3.4 million loss in the six months ended June 30, 2025.

Other Gain (Loss), net. We recorded a net gain of $26.6 million in the six months ended June 30, 2026, as compared to a $24.5 million gain in the six months ended June 30, 2025. The increase was primarily attributable to larger gains on the revaluation of contingent consideration for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Income Tax Provision (Benefit). We recorded an income tax expense of $4.6 million in the six months ended June 30, 2026, as compared to an income tax expense of $6.2 million in the six months ended June 30, 2025. Although we have a cumulative three year loss position, based on our recent financial performance and our future projections, we could record a reversal of all, or a portion of, the valuation allowance associated with U.S. deferred tax assets in future periods. However, any such change is subject to actual performance and other considerations that may present positive or negative evidence at the time of the assessment.

Net Income (Loss). Net income decreased by $170.6 million to a net loss of $46.5 million in the six months ended June 30, 2026, as compared to a net income of $124.1 million in the six months ended June 30, 2025, for the reasons discussed above.

Liquidity and Capital Resources

We had $983.9 million in cash and cash equivalents as of June 30, 2026 (excluding restricted cash and cash reserved for users, which we segregate on behalf of our paid users for all jurisdictions and offerings). We believe our cash on hand is sufficient to meet our current working capital and capital expenditure requirements for a period of at least twelve months. We will continue to evaluate our long-term operating performance and cash needs and believe we are well positioned to continue to fund the operations of our business long-term.

Convertible Debt. In March 2021, we issued zero-coupon convertible senior notes in an aggregate principal amount of $1,265.0 million (the “Convertible Notes”). The Convertible Notes mature on March 15, 2028, subject to earlier conversion, redemption or repurchase. In connection with the pricing of the Convertible Notes and the exercise of the option to purchase additional Convertible Notes, we entered into privately negotiated capped call transactions (the “Capped Call Transactions”). The Capped Call Transactions are expected generally to reduce potential dilution to DraftKings Inc.’s Class A common stock upon any conversion of the Convertible Notes. The net cost of $124.0 million incurred to enter into the Capped Call Transactions was recorded as a reduction to additional paid-in capital on the Company’s condensed consolidated balance sheets. As of June 30, 2026, the Convertible Notes, net of issuance costs, balance was $1,260.4 million.

Credit Facility. In November 2024, we and certain of our subsidiaries entered into a credit agreement (the "Credit Agreement") with various financial institutions, as lenders, and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent, providing for a senior secured revolving credit facility of up to $500.0 million (the "Revolving Credit Facility"). The Revolving Credit Facility provides for revolving loans, swing line borrowings and letters of credit and has a maturity date of November 7, 2029. As of June 30, 2026, $11.9 million in letters of credit were issued under the Revolving Credit Facility, with $488.1 million available for borrowing.

Term B Loan. In March 2025, we and certain of our subsidiaries entered into a first amendment to the Credit Agreement, which provides for a new class of incremental term loans under the Credit Agreement in an aggregate principal amount of $600.0 million (the "Term B Facility" and, such term loans, the "Term B Loan"). The Term B Facility requires principal payments in the amount of 1.00% per annum of the original aggregate principal amount of the Term B Loan payable in quarterly installments. The Term B Loan bears interest at the Company's election at either (i) in the case of Term SOFR Loans, Term SOFR plus an applicable margin of 1.75% per annum, or (ii) in the case of ABR Term Loans, ABR plus an applicable margin of 0.75% per annum (with each of the capitalized terms used in clauses (i) and (ii) as defined in the Credit Agreement). As of June 30, 2026, there was $592.5 million in aggregate principal amount of Term B Loan outstanding.

Other Purchase Obligations. We have certain non-cancelable contracts with vendors, licensors and others requiring us to make future cash payments. As of June 30, 2026, these purchase obligations were $2.0 billion, with $0.3 billion payable in the remainder of 2026.

Stock Repurchase Program. On July 30, 2024, our Board of Directors authorized the repurchase of an aggregate of up to $1.0 billion of our Class A common stock through open market purchases, privately negotiated transactions or other transactions in accordance with applicable securities laws. On November 6, 2025, our Board of Directors approved a $1.0 billion increase to our existing stock repurchase authorization, which brings the aggregate share repurchase authorization to $2.0 billion of our Class A common stock. We repurchased 2.3 million shares and 2.9 million shares for $55.6 million and $100.5 million during the three months ended June 30, 2026 and 2025. We repurchased 5.5 million shares and 6.5 million shares for $154.2 million and $242.7 million during the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026, we have purchased 22.7 million shares of Class A common stock for $773.8 million since the inception of the stock repurchase program.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Six Months Ended June 30,	
(amounts in thousands)	**2026**	**2025**
Net cash provided by (used in) operating activities	$ 63,001	$ 54,905
Net cash provided by (used in) investing activities	(93,444)	(74,278)
Net cash provided by (used in) financing activities	(186,644)	253,134
Net increase (decrease) in cash and cash equivalents, restricted cash, and cash reserved for users	(217,087)	233,761
Cash and cash equivalents, restricted cash, and cash reserved for users at beginning of period	1,604,595	1,330,193
Cash and cash equivalents, restricted cash, and cash reserved for users at end of period	**$ 1,387,508**	**$ 1,563,954**

Operating Activities. Net cash provided by operating activities in the six months ended June 30, 2026 was $63.0 million, compared to $54.9 million in the six months ended June 30, 2025, primarily from a decline in net income (loss), net of non-cash items, of $189.0 million for reasons discussed in Results of Operations above, offset by $197.1 million decrease in cash used from changes in operating assets and liabilities, primarily related to timing of player activity, impacting liabilities to users, as well as timing of vendor payments.

Investing Activities. Net cash used in investing activities during the six months ended June 30, 2026 increased by $19.2 million to $93.4 million, compared to $74.3 million in the six months ended June 30, 2025, primarily due to an increase of $14.7 million in cash paid for internally developed software costs and an increase of $4.7 million in cash paid for purchases of property and equipment.

Financing Activities. Net cash used in financing activities during the six months ended June 30, 2026 was $186.6 million compared to $253.1 million net cash provided by financing activities in the six months ended June 30, 2025, primarily driven by a reduction of $588.1 million of cash received from borrowing under the Term B Facility, partially offset by a reduction of

$88.5 million in treasury stock purchases under the Stock Repurchase Program, and a reduction of $58.4 million in cash paid for purchases of treasury stock for RSU withholding.

Commitments and Contingencies

Refer to "Note 13 — Commitments and Contingencies" of our unaudited condensed consolidated financial statements included elsewhere in this Report for a summary of our commitments and contingencies as of June 30, 2026.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. Our discussion and analysis of the financial condition and results of operations are based on these financial statements. The preparation of these financial statements requires the application of accounting policies in addition to certain estimates and judgments by our management. Our estimates and judgments are based on currently available information, historical results and other assumptions we believe are reasonable. Actual results could differ materially from these estimates.

During the six months ended June 30, 2026, there were no changes to the critical accounting estimates discussed in the 2025 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no significant changes in our exposure to market risk during the six months ended June 30, 2026. Refer to Item 7A. Quantitative and Qualitative Disclosures about Market Risk in the 2025 Annual Report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of June 30, 2026. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Report.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, as specified above. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and cannot provide absolute assurance that its objectives will be met.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The information required by this item is included in "Note 13 — Commitments and Contingencies" to the unaudited condensed consolidated financial statements, which is incorporated herein by reference.

Item 1A. Risk Factors.

Factors that could cause our actual results to differ materially from those in this Report are any of the risks described in the 2025 Annual Report. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On April 6, 2026, we granted an aggregate of 105,392 time-based RSUs to an unaffiliated commercial counterparty ("Counterparty") in partial consideration of a commercial agreement between Counterparty and the Company. Such time-based RSUs vest in quarterly installments, with 13,174 RSUs vesting per quarter between June 30, 2026 and June 1, 2028. Each RSU represents a right to receive one share of our Class A common stock upon vesting.

The foregoing transaction did not involve any underwriters, any underwriting discounts or commissions, or any public offering. The RSUs were issued in transactions exempt from registration pursuant to Section 4(a)(2) of the Securities Act. The recipient of the securities in the transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the securities and share ledger in connection with the transaction. There was no solicitation involved, and the recipient is an accredited investor.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On July 30, 2024, our Board of Directors authorized the repurchase of an aggregate of up to $1.0 billion of our Class A common stock through open market purchases, privately negotiated transactions or other transactions in accordance with applicable securities laws. On November 6, 2025, our Board of Directors approved a $1.0 billion increase to our existing stock repurchase authorization, which increased the aggregate share repurchase authorization to $2.0 billion of our Class A common stock. Our stock repurchase authorization does not have an expiration date, and the pace of our repurchase activity will depend on factors such as our working capital needs, our debt repayment obligations or repurchases of our debt, our stock price, and economic and market conditions. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time.

The table below provides information with respect to repurchases of shares of our Class A common stock during the three months ended June 30, 2026:

	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs *(in thousands)*
April 1, 2026 to April 30, 2026	358,133	$ 22.12	358,133	$ 1,273,825
May 1, 2026 to May 31, 2026	1,112,451	$ 25.18	1,112,451	$ 1,245,803
June 1, 2026 to June 30, 2026	783,882	$ 25.02	783,882	$ 1,226,187
Total	**2,254,466**		**2,254,466**	

(1) The total number of shares purchased excludes any shares withheld to satisfy tax withholding obligations in connection with the vesting of employee restricted stock units.
(2) Average price paid per share excludes broker commissions and excise tax.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

Certain of our directors and executive officers have made, and may from time to time enter into trading plans or make elections to have shares sold or withheld to cover withholding taxes or pay the exercise price of options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

On May 15, 2026, Matthew Kalish, a member of our Board of Directors, entered into a prepaid variable forward sale contract with an unaffiliated third-party buyer, which may constitute a non-Rule 10b5-1 trading arrangement (the "Kalish PVF Contract"). The Kalish PVF Contract obligates Mr. Kalish to deliver to such unaffiliated third-party buyer 1,912,236 shares of the Company's Class A common stock on the May 18, 2029 maturity date.

On May 20, 2026, Jocelyn Moore, a member of our Board of Directors, entered into a trading arrangement designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act (the "Moore 10b5-1 Plan"). The Moore 10b5-1 Plan provides for the sale of up to 10,759 shares of the Company's Class A common stock and terminates on the earlier of (i) the completion of all sales under the Moore 10b5-1 Plan and (ii) August 31, 2026.

Item 6. Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Report:

Exhibit Index

Exhibit No.	Description
10.1*+	Director Stock Deferral Plan, effective as of November 6, 2025.
31.1*	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104.1	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit).

* Filed herewith.
** Furnished herewith.
\+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 7, 2026

DRAFTKINGS INC.

By: /s/ Alan W. Ellingson
Name: Alan W. Ellingson
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

DRAFTKINGS INC.
DIRECTOR STOCK DEFERRAL PLAN

ARTICLE I

PURPOSE AND EFFECTIVE DATE

The Company has adopted the Plan, effective as of November 6, 2025 (the "Effective Date"), to help the Company retain the services of qualified individuals who serve as Outside Directors by offering them the opportunity to defer payment of their Stock Awards (as defined below) through an unfunded deferred compensation arrangement.

ARTICLE II

DEFINITIONS

2.1 "Administrator" means the persons or committees appointed to administer the Plan as provided in Article III.

2.2 "Board" means the board of directors of the Company.

2.3 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

2.4 "Company" means DraftKings Inc., a Nevada corporation.

2.5 "Change in Control" has the meaning set forth in the Equity Plan; *provided* that any such Change in Control is a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A.

2.6 "DSU" means a deferred stock unit, which is an unfunded and unsecured promise to deliver a share of Stock in respect of such unit, granted in lieu of a Stock Award that is deferred by an Outside Director pursuant to Article V.

2.7 "Equity Plan" means DraftKings Inc. 2020 Incentive Award Plan or any successor plan thereto.

2.8 "Fair Market Value" shall have the meaning set forth in the Equity Plan unless determined otherwise by the Administrator.

2.9 "Outside Director" is any member of the Board who is not an employee of the Company or any of its subsidiaries.

2.10 "Plan" means the DraftKings Inc. Director Stock Deferral Plan.

2.11 "Plan Year" means any calendar year during which the Plan is in effect.

2.12 "RSU" means an award of Restricted Stock Units (as defined in the Equity Plan) under the Equity Plan.

2.13 "Section 409A" means Section 409A of the Code and any regulations or other formal guidance promulgated thereunder.

2.14 "Separation from Service" means an Outside Director's "separation from service" with the Company and its subsidiaries within the meaning of Section 409A.

2.15 "Stock" means the Class A common stock of the Company, par value $0.0001 per share.

2.16 "Stock Awards" means all RSUs, Stock Bonus Awards (as defined in the Equity Plan) and shares of Stock granted by Company to an Outside Director for such Outside Director's services as a member of the Board.

ARTICLE III

ADMINISTRATION

3.1 Administration. The Plan will be administered by the Compensation Committee of the Board (the "Compensation Committee"), which shall be the Administrator for all purposes of the Plan. Notwithstanding the foregoing, the Compensation Committee (or the Board, with respect to such matters over which it retains authority under the Plan or otherwise) may delegate to one or more of its members (or one or more other members of the Board) such of its duties, powers and responsibilities as it may determine and all references to the Administrator herein shall, as appropriate, be construed to refer to such person or persons.

3.2 Equity Plan Awards. The DSUs under this Plan are considered, and will be granted as, RSUs or Stock Bonus Awards (as defined in the Equity Plan) under the Equity Plan. Accordingly, the Plan is subject to all of the provisions of the Equity Plan, including but not limited to, the administration provisions and the director compensation limits thereof.

3.3 Administrator Powers. Subject to Section 3.2, the Administrator has complete discretionary authority to administer and interpret the Plan; to prescribe forms, rules and procedures relating to the Plan; and to otherwise do all things necessary or desirable to carry out the purposes of the Plan. Determinations of the Administrator made with respect to the Plan are final, conclusive and binding upon all persons or entities. There is no obligation for uniformity of treatment of Outside Directors or beneficiaries thereof under the Plan. The terms and conditions of DSUs, Stock Awards and Stock Accounts and the Administrator's determinations and interpretations with respect thereto need not be the same with respect to each Outside Director and beneficiary and may be made selectively among Outside Directors and beneficiaries, whether or not such Outside Directors and beneficiaries are similarly situated. Notwithstanding anything to the contrary contained in the Plan, the Board may, in its sole discretion, at any time and from time to time, administer the Plan. In any such case, the Board shall have all the authority granted to the Administrator under the Plan.

ARTICLE IV

ELIGIBILITY

4.1 Eligibility. As of the Effective Date, each current Outside Director shall automatically be eligible to participate in the Plan. Each other Outside Director shall automatically become eligible to participate on the date the individual is first elected or appointed to become an Outside Director. Each Board member who is not an Outside Director but later becomes an Outside Director (including because such individual terminates employment with the Company or its subsidiaries but remains on the Board) shall automatically become eligible to participate on the date such individual is first considered an Outside Director.

ARTICLE V

DEFERRALS

5.1 Deferral of Stock Awards. An Outside Director may elect to defer the receipt of all of the shares of Stock the Outside Director is entitled to receive in respect of a Stock Award (a "Stock Deferral Election"), a form of which is attached as Exhibit A. Such Stock Deferral Election must be made in accordance with procedures established by the Administrator consistent with Section 409A. If an Outside Director elects to defer receipt of shares of Stock the Outside Director is entitled to receive in respect of a Stock Award, on the date that the Outside Director would have been granted such Stock Awards (the "Grant Date"), the Outside Director shall instead be granted a number of DSUs with respect to the number of shares of Stock covered by the Stock Awards that would have been granted, which DSUs shall be settled by delivery of one share of Stock for each DSU in accordance with Article VI herein. An Outside Director who makes a Stock Deferral Election shall receive a notice from the Company following each applicable Grant Date specifying the number of DSUs awarded to the Outside Director and the associated Grant Date.

5.2 Stock Deferral Elections. An Outside Director may make a Stock Deferral Election for each Plan Year during the annual enrollment period established by the Administrator prior to the beginning of the Plan Year (no later than December 31 of the year preceding such Plan Year or such other date as may be prescribed by the Administrator in its discretion consistent with Section 409A), in which event such Stock Deferral Election shall apply to Stock Awards granted to such Outside Director during such Plan Year; *provided* that for the Plan Year in which an Outside Director is eligible to participate in the Plan for the first time due to becoming an Outside Director, such Outside Director's Stock Deferral Election can be made within the first 30 days after becoming an Outside Director with respect to Stock Awards granted after the Stock Deferral Election for the remainder of the Plan Year and for services after the Stock Deferral Election. An Outside Director who has a Stock Deferral Election in effect may not change such election during the Plan Year, and may only revoke such election in accordance with procedures established by the Administrator consistent with Section 409A. Notwithstanding the foregoing, absent a new Stock Deferral Election, the Outside Director's existing Stock Deferral Election shall remain in effect for subsequent Plan Years.

5.3 Vesting of DSUs. The vesting schedule applicable to an Outside Director's DSUs shall correspond to the vesting schedule of the associated Stock Awards such DSUs were granted in lieu of.

5.4 Dividend Equivalents. Each award of DSUs will provide for dividend equivalents, such that an Outside Director will be granted a number of additional DSUs equal to (i) the value of the cash dividend that would have been paid with respect to the applicable Outside Director's DSUs (ii) divided by the Fair Market Value of a share of Stock on the day such dividend would have been paid, rounded up or down to the nearest whole share. The vesting schedule applicable to any such additional DSUs shall correspond to vesting schedule of the underlying award of DSUs in respect of which such additional DSUs are granted.

ARTICLE VI

DISTRIBUTIONS

6.1 Distribution. Upon a Payment Event, the Outside Director (or the Outside Director's beneficiary, in the event of the Outside Director's death prior to receipt of payment), shall be entitled to a distribution of a number of whole shares of Stock equal to the number of vested DSUs credited to the Outside Director's Stock Account, including any DSUs granted in accordance with Section 5.4, with any fractional DSUs rounded up or down to the nearest whole share, less applicable tax withholdings (if any). No fractional shares of Stock will be paid.

6.2 Timing of Payment. An Outside Director's vested DSUs shall be paid in a lump sum within 30 days following the earlier of (i) the date elected by the Outside Director in his or her Stock Deferral Election and (ii) such Outside Director's Separation from Service for any reason (the "Payment Event").

6.3 Change in Control. Notwithstanding anything in this Article VI, an Outside Director's vested DSUs shall be paid in a lump sum within 30 days following a Change in Control.

6.4 Specified Employee. If an Outside Director is a "specified employee" under Section 409A at the time of such Outside Director's Separation from Service, any distribution that otherwise would be made to such Outside Director with respect to a DSU as a result of such Separation from Service shall not be made until the date that is six months after such Separation from Service, or if earlier, upon the Outside Director's death, except to the extent that earlier distribution would not result in such Outside Director's incurring interest or additional tax under Section 409A. Any amount that otherwise would be payable during such six-month period but is not paid as a result of the prior sentence, shall be paid to the Outside Director in a lump sum on the expiration of such six-month period.

ARTICLE VII

AMOUNT OF DISTRIBUTION

7.1 Stock Account. Any DSUs granted to an Outside Director pursuant to this Plan shall be credited to a separate bookkeeping account established and maintained by the Administrator to record an Outside Director's DSUs (a "Stock Account"). Amounts credited to an Outside Director's Stock Account shall not accrue interest or earnings except as provided in Section 5.4.

7.2 Stock Account Adjustments. The DSUs in each Outside Director's Stock Account, and the kind of shares covered thereby, are subject to adjustment upon certain changes in capital structure and similar events as provided in the Equity Plan.

ARTICLE VIII

AMENDMENT OR TERMINATION

8.1 Amendment or Termination. The Company reserves the right to amend or terminate the Plan when, in the sole discretion of the Company, pursuant to a resolution or other action taken by the Administrator.

8.2 Effect of Amendment or Termination. Upon termination of the Plan, the Stock Accounts of the Outside Directors shall continue to be held until distributed in accordance with the terms of Article VI, unless the Company determines in its sole discretion and amends the Plan to provide that all such amounts shall be distributed upon termination of the Plan in accordance with the requirements under Section 409A.

ARTICLE IX

PAYMENTS UPON DEATH

9.1 Payment to Beneficiary. Any benefit which a deceased Outside Director is entitled to receive under the Plan shall be paid to such Outside Director's beneficiary.

9.2 Designation of Beneficiary. Each Outside Director may file with the Administrator a written designation, on a beneficiary designation form approved by the Administrator, of one or more persons as the beneficiary(ies) who shall be entitled to receive the amounts payable with respect to a Stock Account, if any, due under the Plan upon his death. An Outside Director may, from time to time, revoke or change his beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Administrator and such revocation or change shall be effective only when filed with the Administrator. The last such designation received by the Administrator shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Administrator prior to the Outside Director's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by an Outside Director, or if such beneficiary designation form is held invalid, or if no beneficiary survives the Outside Director and benefits remain payable following the Outside Director's death, the beneficiary shall be deemed to be his or her spouse or, if the Outside Director is unmarried at the time of death, his or her estate.

ARTICLE X

MISCELLANEOUS

10.1 Transferability. Except as provided by the Administrator, no DSUs and no right under any DSUs, shall be assignable, alienable, saleable or transferable by an Outside Director otherwise than by will or by the laws of descent and distribution in accordance with Article IX. No DSU, and no right under any DSU, may be pledged, hypothecated, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any subsidiary thereof.

10.2 Restrictions on Issuance of Stock. All Stock or other securities delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the Equity Plan, Company policies (including, without limitation, any clawback, insider trading, recoupment or similar policy of the Company or any subsidiary thereof) or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, the NASDAQ Stock Market or any other stock exchange on which such Stock or other securities are then listed, and any applicable federal, state or local securities laws, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

10.3 No Right to Continued Service. Neither the establishment of the Plan nor any modification thereof, nor the creation of any account, nor the payment of any benefits, shall be construed as conferring upon an Outside Director the right to be retained in the service of the Board or the Company. The Plan relates to the payment of deferred compensation as provided herein and the Company expressly reserves the right at any time to replace or not to re-nominate an Outside Director without any liability for any claim against the Company for any payment or distribution except to the extent provided for in the Plan or for compensation for any loss of rights or benefits under this Plan.

10.4 Rights as a Stockholder. An Outside Director will have no rights as a stockholder unless and until such Outside Director becomes the holder of record of Stock in connection with the settlement of such Outside Director's DSUs.

10.5 Governing Law. Construction, validity and administration of the Plan shall be governed by the laws of the State of Nevada.

10.6 Severability. If any provision of the Plan or any election under the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or any DSU under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or such election, such provision shall be stricken as to such jurisdiction, person or election, and the remainder of the Plan and such election under the Plan shall remain in full force and effect.

10.7 Rights Unsecured. This Plan is intended to be an unfunded deferred compensation plan. All credited amounts are unfunded, general obligations of the Company. The right of an Outside Director or an Outside Director's beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither such Outside Director nor Outside Director's beneficiary shall have any rights in or against any amount credited to any Stock Account or any other assets of the Company. The Plan at all times shall be considered entirely unfunded for tax purposes. The Company's obligation under this Plan shall be that of an unfunded and unsecured promise to pay money in the future.

10.8 Inurement. The Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns, and the Outside Director, his or her successors, heirs, executors, administrators and beneficiaries.

10.9 Notices. Any notice required or permitted to be given pursuant to the Plan may be given by electronic means (including facsimile and electronic mail, but not telephone) or in writing which shall be signed by the person giving the notice. If such notice is mailed, it shall be sent by first class mail, postage prepaid, addressed to such person's last known address as shown on the records of the Company. Notices will be deemed given as of the date of delivery or mailing or, if delivery is made by certified or registered mail, as of the date shown on the receipt for registration or certification. Any person entitled to notice hereunder may waive such notice.

10.10 Unclaimed Benefit. Each Outside Director shall keep the Company informed of his or her current address and the current address of his or her beneficiary. The Company shall not be obligated to search for the whereabouts of any person. The Company is authorized to adopt procedures regarding unclaimed benefits that provide for the irrevocable forfeiture of a benefit if the Company is unable to locate the Outside Director, or if the Outside Director is deceased, his or her beneficiary. Such procedures shall be consistent with Section 409A and any other guidance issued by the Internal Revenue Service and with any other applicable law and guidance issued by any other relevant tax authority.

10.11 Limitations on Liability. Notwithstanding any of the preceding provisions of the Plan, neither the Company, nor the Administrator nor any individual acting as an employee or agent of the Company or the Administrator shall be liable to any Outside Director, former Outside Director, beneficiary or any other person for any claim, loss, liability or expense incurred in connection with the Plan.

10.12 Section 409A. Notwithstanding any provision of this Plan to the contrary, this Plan is intended to comply with Section 409A and the interpretive guidance thereunder, including the exceptions for stock rights and short-term deferrals. The Plan shall be construed and interpreted in accordance with such intent. If any ambiguity exists in the terms of the Plan, it shall be interpreted to be consistent with this purpose. All distributions that are to be made as soon as practicable following an event or a date, as provided for in the Plan, shall be made at such time as is required to be exempt from or comply with the requirements of Section 409A. In the event a distribution is to be made by reason of a separation from service, the Plan shall be interpreted and applied so that a termination of employment is deemed to have occurred at the time there is a "separation from service" (as that term is used for purposes of Section 409A and as defined in Treasury Regulation Section 1.409A-1(h)). Each payment shall be treated as a separate payment for purposes of Section 409A and if any amounts payable under the Plan include "dividend equivalents" (within the meaning of Treasury Regulations § 1.409A-3(e)), an Outside Director's right to such dividend equivalents shall be treated separately from the right to any other amounts payable under the Plan. Notwithstanding anything to the contrary in the Plan, neither the Company, nor any of its subsidiaries, nor the Administrator, nor any person acting on behalf of the Company, any of its subsidiaries, or the Administrator, will be liable to any Outside Director, to the estate or beneficiary of any Outside Director, or to any other person by reason of any acceleration of income, any additional tax, or any penalty, interest or other liability asserted by reason of the Plan or a DSU failing to satisfy the requirements of Section 409A.

10.13 No Guaranty of Benefits. Nothing contained in the Plan shall constitute a guaranty by the Company or any other entity or person that the assets of the Company will be sufficient to pay any benefit hereunder.

10.14 Entire Agreement. The Plan document, along with any notices from the Administrator or election or administration forms required of Outside Director, and made known to them by the Administrator, shall constitute the entire agreement or contract between the Company and the Outside Director regarding the Plan. No oral statement regarding the Plan may be relied upon by the Outside Director or any other person claiming through or under the Outside Director.

10.15 Construction. Any mention of "Articles," "Sections" and subsections thereof, unless stated specifically to the contrary, refers to Articles, Sections or subsections in the Plan. Headings of Articles, Sections and subsections are for convenient reference. The headings are not part of the Plan and are not to be considered in its construction. All references to statutory sections shall include the section as amended from time to time.

EXHIBIT A

Form of Stock Deferral Election

[*Attached*]

DRAFTKINGS INC.
DIRECTOR STOCK DEFERRAL PLAN

Stock Deferral Election Form

Name (print): ______________________________

Background

The DraftKings Inc. Director Stock Deferral Plan (the "Plan") permits you to elect to defer the receipt of all of the shares of Stock you are entitled to receive in respect of a Stock Award granted to you. Capitalized terms used and not defined herein shall have the same meaning as set forth in the Plan.

Under the Plan, any deferred Stock Award will be credited in the form of DSUs, which represent the Company's unfunded and unsecured promise to deliver one share of Stock for each DSU upon settlement in accordance with your deferral election made pursuant to this Stock Deferral Election Form and the Plan's distribution provisions.

The Plan provides that the vesting schedule applicable to your DSUs shall correspond to the vesting schedule of the associated Stock Awards such DSUs were granted in lieu of and that your vested DSUs shall be paid in a lump sum within 30 days following the earlier of (i) the date elected by you in this Stock Deferral Election Form and (ii) your Separation from Service for any reason; provided that, your vested DSUs shall be paid in a lump sum within 30 days following a Change in Control.

This Stock Deferral Election Form allows you to defer receipt of all of the shares of Stock you are entitled to receive in respect of Stock Awards granted during the Plan Year and to designate the timing of payment of your vested DSUs.

Deferral Election

I elect to defer payment of **all** of the shares of Stock that I would be entitled to receive in respect of Stock Awards granted to me for services as an Outside Director during the Plan Year that commences after the date of this Stock Deferral Election.

I hereby acknowledge and understand that, unless I make a new Stock Deferral Election in accordance with Plan procedures, this Stock Deferral Election shall remain in effect for subsequent Plan Years.

Timing of Payment

Subject to the terms of the Plan, I acknowledge that my vested DSUs covered by this Stock Deferral Election will be **paid in a lump sum within 30 days following the earlier of**:

(i) The date I have elected below; and
(ii) The date of my Separation from Service

Elected Payment Date: ______________

Notwithstanding the foregoing, my vested DSUs will be paid in a lump sum within 30 days following a Change in Control.

If I am a "specified employee" at the time of my Separation from Service, any payment due by reason of my Separation from Service will be delayed for six months (or earlier on death) to the extent required by Section 409A.

General Provisions

(a) Any DSUs will be subject to the terms and conditions of the Plan but will be paid in accordance with your Stock Deferral Election.

(b) You are advised to consult with your personal lawyer, accountant, tax and/or financial advisor(s) to discuss the consequences of any election to defer payment of the shares of Stock you are entitled to receive in respect of a Stock Award granted to you.

(c) The Stock Deferral Election made pursuant to this Stock Deferral Election Form is subject to the terms and conditions of the Plan in all respects.

By signing below, I elect to make the deferrals set forth in this Stock Deferral Election Form, agree to accept all of the terms and conditions herein, and acknowledge that this Stock Deferral Election Form will become irrevocable after December 31 of the year in which it is made and may not be modified except in accordance with Plan procedures and consistent with Section 409A.

______________________________	___________________________
Director Name:	Date of Stock Deferral Election

Exhibit 31.1

Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jason D. Robins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DraftKings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

/s/ Jason D. Robins

Jason D. Robins
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Alan W. Ellingson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DraftKings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

/s/ Alan W. Ellingson

Alan W. Ellingson
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Jason D. Robins, Chief Executive Officer and Chairman of the Board of DraftKings Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2026

/s/ Jason D. Robins

Jason D. Robins

Chief Executive Officer and Chairman of the Board

(Principal Executive Officer)

Exhibit 32.2

Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Alan W. Ellingson, Chief Financial Officer of DraftKings Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2026

/s/ Alan W. Ellingson

Alan W. Ellingson
Chief Financial Officer
(Principal Financial Officer)