

Risk Factors Comparison 2024-03-07 to 2023-03-02 Form: 10-K

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Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. If any such risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could be materially and adversely affected. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations. The risk factors described below should be read together with the other information set forth in this Annual Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. You should not interpret our disclosure of any risks in this Annual Report as implying that such risks have not already materialized. Summary of the Material Risks Associated with Our Business These risks include, but are not limited to, the following:

- Competition in the online and ~~retail and online~~ sports betting and online gaming industry is intense and, as a result, we may fail to attract and retain customers, which may negatively impact our operations and growth prospects.
- Our projections, including for revenues, market share, expenses and profitability, are subject to significant risks, assumptions, estimates and uncertainties and may therefore differ materially from our expectations.
- Our operating results may vary, which may make future results difficult to predict with certainty.
- Recruitment and retention of our employees, including certain key employees, is vital to growing our business and meeting our business plans. Losing any of our executives or other key employees could harm our business.
- Clear errors in ~~the posting of~~ sports betting odds or event information have occurred occasionally, resulting in large liabilities. To date, general industry practice has been to void bets associated with such clear errors or to correct the odds. It cannot be assured that in every case of such clear error regulators will continue to approve the voiding of such errors.
- The success of existing or future online offerings, including win or hold rates, depends on a variety of factors and is not completely controlled by us.
- We rely on strategic relationships with local partners such as casinos, lotteries or professional sports teams to be able to provide our offerings in certain jurisdictions. If we cannot establish and manage relationships with these partners, our business, financial condition, results of operations and prospects could be adversely affected.
- Our current and projected performance relies heavily upon continued compatibility and interoperability among our app, platform and the major mobile operating systems, distribution of our offerings on third- party platforms and high- bandwidth data capabilities. Disruptions in the availability of these may negatively impact our business, financial conditions, results of operations and prospects.
- Due to the nature of our business, we are subject to taxation in numerous jurisdictions and changes in, or new interpretation of, tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect our business, financial condition, results of operations and prospects.
- Our business is subject to numerous U. S. and foreign laws, many of which are unsettled and still developing. Any change in laws, rules or regulations or their interpretation, or the regulatory climate applicable to our business and offerings, could adversely impact our ability to operate our business, which could have a material adverse effect on our business, financial condition, results of operations and prospects.
- Our growth prospects depend on the legal-legality status ~~of~~ real- money gaming in various jurisdictions, and legalization may not occur in as many ~~states~~ jurisdictions as we expect, may occur at a slower pace than we anticipate or may be accompanied by restrictions or taxes that make it impracticable or less attractive to operate, which could adversely affect our future results of operations and make it more difficult to meet our financial performance expectations.
- Failure to comply with regulatory requirements or to successfully obtain a license or permit applied for could adversely impact our ability to comply with licensing and regulatory requirements or to obtain or maintain licenses in other jurisdictions, or could cause financial institutions, online platforms and distributors to stop providing services to us.
- ~~Despite our security measures,~~our information technology and infrastructure may be vulnerable to attacks by hackers or breaches due to employee human error,malfesance or other disruptions.Any such breach could compromise our networks and the information stored there could be accessed,publicly disclosed,lost,corrupted or stolen,which could result in legal claims or proceedings,liability under applicable privacy and data protection laws,regulatory penalties,disruption of our operations and offerings,reputational damage,and a loss of confidence in our products and services,each of which could adversely affect our business,financial condition,results of operations and prospects.
- We rely on information technology and other systems and platforms, and failures, errors, defects or disruptions therein could diminish our brand and reputation, subject us to liability, disrupt our business, affect our ability to scale our technical infrastructure and adversely affect our operating results and growth prospects. Further, our offerings, online gaming platform and other software applications and systems, and certain third- party platforms that we use could contain undetected errors.
- Despite our security measures,..... condition, results of operations and prospects.
- We rely on licenses and other agreements to use the intellectual property rights of affiliated and third parties that are incorporated into or used in our offerings. Failure to renew or expand existing licenses or other agreements may require us to modify, limit or discontinue certain offerings, which could materially affect our business, financial condition, results of operations and prospects.
- We are a “controlled” company within the meaning of the NYSE rules and, as a result, we qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections as those afforded to stockholders of companies that are subject to such governance requirements.
- The Tax Receivable Agreement (the “ Tax Receivable Agreement ” or “ TRA ”), requires the Special Limited Partner to pay to the Sellers and / or the exchanging holders of RSILP Units, as applicable, 85 % of the net income tax savings that we and our consolidated subsidiaries (including the Special Limited Partner) realize as a result of increases in tax basis in RSILP’ s assets related to the transactions contemplated under the Business Combination Agreement and the future exchange of the Retained RSILP Units

(for shares of Class A Common Stock (or cash) pursuant to the RSILP A & R LPA and tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA, and those payments may be substantial. The summary risk factors described above should be read together with the text of the full risk factors below and in the other information set forth in this Annual Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. If any such risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could be materially and adversely affected. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations. Risks Related to Our Business and Industry ~~Competition in the online and retail sports betting and online gaming industry is intense and, as a result, we may fail to attract and retain customers, which may negatively impact our operations and growth prospects.~~ We operate in the global gaming and entertainment industries, where competition is intense. We compete against other providers of retail or online sports betting and online or bricks- and- mortar casino, as well as against providers of online and mobile entertainment and leisure products more generally. Our customers face a vast array of entertainment choices. Other forms of entertainment, such as television, movies, digital streaming and on- demand services (which continue to gain popularity), social media, video games, sporting events and in- person casinos, are more well established and our customers may view them as offering greater variety, affordability, interactivity and enjoyment. We compete with these other forms of entertainment for the discretionary time and income of our ~~users~~ **customers**. If we are unable to sustain sufficient interest in our online and retail offerings in comparison to other forms of entertainment, including new forms of entertainment, our business, financial condition, results of operations and prospects could be adversely affected. Our current and potential domestic and international competitors range from large and established companies to emerging start- ups. Some competitors have longer operating histories and well- established relationships in various sectors. They can use their experience and resources in ways that could affect our competitive position, including by making acquisitions, continuing to invest heavily in research and development and in talent, adopting more aggressive pricing, bonusing or promotions, aggressively initiating intellectual property claims (whether or not meritorious), and continuing to compete aggressively for customers, potential partners, marketing opportunities and content providers. Our competitors may also be able to innovate and provide products and services faster than we can ~~or~~, may foresee the need for products and services before us **and may be able to leverage their brands and partnerships in ways that we currently cannot**. In addition, there has been consolidation among competitors in the entertainment and gaming industries and such current or future consolidation could result in larger competitors with increased financial resources and altered cost structures, which may enable them to offer more competitive products, gain a larger market share, expand offerings and broaden their geographic scope of operations. If we are unable to maintain or improve our market share, or if our offerings do not continue to be popular our business, financial condition, results of operations and prospects could be adversely affected. Competitive pressures may also adversely affect our margins. For example, as competition increases, we may need to lower our margins in order to attract or retain customers. Further, as we expand to become a more national brand, we may need to increase our marketing spending to compete more effectively. Our ability to grow our revenue in the future will depend largely on our ability to attract new customers to our offerings and retain and engage existing customers, as well as continued user adoption of online casino and retail and online sports betting more generally. Growth in the online betting and gaming industries and the level of demand for, and market acceptance of, our offerings will be subject to a high degree of uncertainty. We cannot guarantee that customers will continue to adopt our offerings at their current levels or increase in the future (in particular in light of COVID- 19, which in recent years significantly adversely impacted many types of in- person entertainment as well as global supply chains), that the industry will achieve more widespread acceptance or that we will retain our customers if we are unable to keep pace with technological innovation and customer demands. We operate in rapidly changing and competitive industries, and our projections are subject to inherent risks and assumptions. Operating results are difficult to forecast because they generally depend on our assessment of the likelihood and timing of future legislation and regulations, if any, in different jurisdictions as well as anticipated tax rates in such jurisdictions, all of which are uncertain. Furthermore, if we invest in product development or distribution channels that do not achieve significant commercial success, whether because of competition or otherwise, we may not recover the often substantial up- front costs of developing and marketing those products and distribution channels, or recover the opportunity cost of diverting management and financial resources away from other products or distribution channels. Additionally, our business may be affected by reduced consumer spending from time to time as a result of factors that may be difficult to predict, sporting results or other factors that are beyond our control. These could result in decreased revenue, and we may be unable to adopt measures in a timely manner to mitigate any unexpected shortfall in income. If actual results differ from our estimates, analysts may negatively react, and our stock price could be materially impacted. We have a history of losses and we may continue to incur losses in the future. Since our formation in 2012, we have experienced net losses and negative cash flows from operations. For the years ended December 31, **2023 and 2022** ~~and 2021~~, we had net losses of \$ **60.1 million and \$** 134.3 ~~million and \$~~ 71.1 million, respectively. We may continue to incur losses in the future, some of which may be significant, and we cannot guarantee that we will become profitable. We expect our operating expenses to increase in the future as we expand our operations in existing and new markets. Furthermore, as a public company we have incurred and expect to continue to incur additional legal, accounting and other expenses that we did not incur as a private company. If our revenue does not grow at a greater rate than our expenses, we may be unable to become or remain profitable. We may incur significant losses in the future for many reasons, including those described in the other risks and uncertainties described in this Annual Report. Additionally, we may encounter unforeseen expenses, operating delays or other unknown factors that may result in losses in future periods. Our operating results and financial performance may fluctuate due to seasonal trends and other factors such as customer engagement levels, online casino and sports betting results and other factors that are outside of our control or that we cannot reasonably predict. Our financial performance depends on, among other things, our

ability to attract and retain customers. Customer engagement in our offerings may vary due to numerous factors, including customers satisfaction with our platform, the number, timing and type of sporting events, the length of sports seasons, our offerings and those of our competitors, our marketing efforts, ~~climate and~~ weather conditions, public sentiment or macroeconomic conditions. The number and amount of betting losses and jackpot payouts we experience may also impact our financial results. Although our losses are limited per wager to a maximum payout, when viewed over a period of time, these losses can be significant. We offer progressive jackpot games in our online casino offerings. Each time a customer plays a progressive jackpot game, we contribute a portion of the amount bet to the jackpot for that game or group of games. When a progressive jackpot is won, ~~if the jackpot~~ is paid out and reset to a predetermined base amount. As winning the jackpot is determined by a random mechanism, we cannot foresee when a jackpot will be won and we do not insure against jackpot payouts. Paying the progressive jackpot decreases our cash position and depending upon the jackpot size it may have a significant negative affect on our cash flow and financial condition. Our sports betting operations experience seasonality based on the relative popularity of certain sporting events. Although sporting events occur throughout the year, our sports betting customers are most active during the NFL, NBA, college football and basketball seasons. In addition, the shortening, delay or cancellation of major sports seasons or events due to events beyond our control such as strikes, lockouts like the MLB lockout that occurred from December 2021 through March 2022, **weather conditions such as the dangerous temperatures in January 2024 that resulted in the NFL's Buffalo Bills versus the Pittsburgh Steelers being rescheduled,** or severe injuries like the one that resulted in the cancellation of the NFL's Buffalo Bills versus the Cincinnati Bengals game in January 2023, may result in less money bet on sports and prevent us from garnering sufficient interest in our sports betting offerings, which could adversely impact our financial results. We depend on certain key personnel to manage and operate our business, including both our Executive Chairman and our CEO. Our current executive team's leadership has been a critical element of our success and the departure, death or disability of any of our executive team or other extended or permanent loss of any of their services, or any negative market or industry perception with respect to any of them or their loss, could have a material adverse effect on our business. Our ability to compete and grow depends largely on the efforts and talents of our employees. Labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled personnel, cost inflation, low unemployment and workforce participation rates. Our employees, particularly engineers and developers, are in high demand, and we devote significant resources to identifying, hiring, training, successfully integrating and retaining these employees. ~~The competition~~ **Competition** for skilled engineers and developers is so intense in the United States that we ~~now~~ **also** recruit for these roles internationally, and to help attract such talent we have expended significant time and resources to establish local development hubs in foreign jurisdictions such as Estonia, Canada, Colombia and Serbia. ~~To~~ **Because of the** ~~competition for personnel, to~~ attract top talent **in a competitive industry and labor market,** we have offered, and believe we will need to continue to offer, ~~competitive~~ **robust** compensation packages before we can validate ~~the~~ **an individual's** productivity ~~of these personnel~~. Many companies now offer remote or hybrid work environments, which may increase the competition for such employees from employers outside of our traditional office locations. To retain employees, we also may need to increase our employee compensation levels in response to competition. We use equity awards to attract ~~and retain~~ **key** personnel. If the value of our Class A Common Stock declines significantly and remains depressed, that may inhibit our efforts to recruit and retain key personnel. Our ability to attract, retain and motivate our personnel may also be adversely affected by stock price volatility. We cannot provide assurance that we will be able to attract or retain such highly qualified personnel in the future **without adjusting other components of the compensation package**. Most of our executive officers and key employees are employees at- will. The unexpected loss of services of one or more of these key employees could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, ~~losing the loss of~~ employees or ~~the~~ **inability being unable** to hire necessary skilled employees could result in significant disruptions to our business, and ~~the~~ **integration- integrating of** replacement personnel could be time- consuming, expensive and cause additional disruptions to our business. If we ~~fail to do not succeed in attracting~~ **attract, hiring hire** and ~~integrating~~ **integrate** qualified personnel, or ~~retaining~~ **retain** and ~~motivating~~ **motivate** existing personnel, we may be unable to grow effectively and our business, financial condition, results of operations and prospects could be adversely affected. Our sports betting offerings allow our customers to bet across thousands of sports and sports- related events. The odds for such events are set through a combination of algorithmic and manual odds- making, with bet acceptance also being a combination of automatic and manual acceptance. At times, the odds offered for, or the information about, an event in our offerings are incorrect. For example, such errors have consisted of inverted lines between teams, start times of games that, due to time zone differences, have already commenced or odds that are significantly different from the correct odds in a way that reasonable persons would agree is an error. Such errors have in certain instances resulted in large liabilities. When such errors occur, it is currently commonly accepted in nearly all jurisdictions for operators to void bets associated with such clear errors. In mature jurisdictions, bets based upon clear error can be voided without prior regulatory approval. However, there can be no guarantee that this **practice of** voiding ~~of~~ bets practice will continue. If regulators were to disallow voiding of bets associated with clear errors, we could be forced to incur significant liabilities associated with such errors. We follow the industry practice of restricting and managing betting limits at the individual customer level based on individual customer profiles and risk level; however, there is no guarantee that regulating bodies will allow operators such as us to impose limits at the individual customer level. Similar to a credit card company managing individual risk on the customer level through credit limits, it is customary for sports betting operators to manage customer betting limits at the individual level to manage enterprise risk levels. We believe this practice is beneficial overall because if it were not possible, the betting options would be restricted globally and limits available to customers would be much lower to insulate overall risk due to the existence of a small segment of highly sophisticated syndicates and algorithmic bettors, or bettors looking to take advantage of site errors and omissions. We believe virtually all online operators balance taking reasonable bets from all customers against the risk of individual customers significantly harming the business viability. We cannot assure you

that applicable legislation and our regulators will always allow us to execute limits at the individual customer level or at our sole discretion. The online casino and sports betting businesses are characterized by an element of chance. We employ theoretical win rates to estimate what a certain type of online casino or sports bet, on average, will win or lose in the long run. Revenue is impacted by variations in the hold percentage (the ratio of **our** winnings to total amount bet) of ~~the **our** offerings we make available to our customers~~. We use hold percentage as an indicator of a bet's performance against its expected outcome. Although each bet generally performs within a defined statistical range of outcomes in the long run, actual outcomes may vary for any given period, particularly in the short term. The element of chance may affect win rates (hold percentages); these win rates, particularly for sports betting, may also be affected in the short term by factors largely beyond our control, such as unanticipated event outcomes, a customer's skill, experience and behavior, the mix of games played or bets placed, customer financial resources, the volume of bets placed and the amount of time spent gambling. For online casino games, a random number generator outcome or game could malfunction and award errant prizes. For sports betting, erroneous or incorrect odds could be posted that are highly favorable to bettors and bets are placed and / or ~~winning winnings~~ are paid before the odds are corrected. Additionally, odds compilers and risk managers are capable of human error, so even if our betting offerings are subject to a capped payout, significant volatility can occur. As a result of the variability in these factors, the actual win rates on our online casino games and sports bets may differ from the theoretical win rates we have estimated and could result in our customers' winnings exceeding those anticipated. The variability of win rates could also adversely affect our business, financial condition, results of operations, prospects and cash flows. If we fail to detect fraud or theft, including by our customers ~~and~~, employees ~~or vendors~~, our reputation may suffer, which could harm our brand and reputation and negatively impact our business, financial condition, results of operations and prospects, and can subject us to investigations and litigation. We have previously incurred, and may in the future incur, losses from financial fraud, including use of stolen or fraudulent credit card data, customer claims of unauthorized payments and attempted payments or cash outs by customers with insufficient funds. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person's identity, account information or payment information, and unauthorized acquisition or use of credit or debit card details, bank account information and phone numbers and accounts. In late 2022, some of our competitors experienced targeted attacks resulting in customer accounts being compromised and unauthorized withdrawals of customer funds **and in 2023, several casinos experienced ransomware attacks that resulted in customer accounts being compromised**. Under current credit card practices, we could be liable for funds used on our platform with fraudulent credit card data, even if the associated financial institution approved the credit card transaction. Customer fraud or other forms of cheating may involve tactics such as collusion with our employees and exploiting loopholes in our promotions or offerings. Successful exploitation of our ~~or certain of our vendors'~~ systems could harm our reputation and negatively affect our offerings and customer experience. Failure to discover such fraud or cheating in a timely manner could harm our operations. Negative publicity related to such fraud or cheating could adversely affect our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations and prospects. Additionally, we may inadvertently send overly generous promotions that ~~customers or regulators~~ **we could be forced** us to honor. If we were to experience any such issues, substantial engineering, marketing and management resources may be diverted from other projects to correct these issues, which may delay other projects and the achievement of our strategic objectives. In addition, any misappropriation of, or access to, customer or other proprietary information or other breach of our information security could result in legal claims or proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, force us to modify our business practices, damage our reputation and expose us to claims from our customers, regulators, employees and other persons, any of which could have an adverse effect on our business, financial condition, results of operations and prospects. Despite the measures we ~~have taken~~ **take** to detect and reduce fraudulent or ~~other~~ malicious activity from occurring on our platform, we cannot guarantee that these measures will be effective or will scale efficiently with our business. Our failure to adequately detect or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action and lead to expenses that could adversely affect our business, financial condition, results of operations and prospects. **Our business depends on a strong brand, and if we are not able to maintain, develop, and enhance our brand, our business and operating results may be negatively impacted. Moreover, our brand and reputation could be harmed if we were to experience significant negative publicity. We believe that maintaining, developing, and enhancing our brand is critical to achieving widespread acceptance of our platform and products, attracting new customers, retaining existing customers, persuading existing customers to adopt additional products and, hiring and retaining our employees. We believe that the importance of our brand will increase as our awareness and business continue to expand. Successful promotion of our brand will depend on a number of factors, including the effectiveness of our marketing efforts, our thought leadership, our ability to provide a high-quality, reliable and cost-effective platform, the actions of our employees, executives, and board members, the perceived value of our platform and products, and our ability to provide quality customer success and support experience. The promotion of our brand, however, may not directly generate customer awareness or increase revenue, and any increase in revenue may not offset the expenses we incur in building and maintaining our brand. We operate in a public-facing industry in which every aspect of our business is impacted by social media. Negative publicity, whether or not justified, can spread rapidly through social media. To the extent that we are unable to respond timely and appropriately to negative publicity, our reputation and brand could be harmed. Moreover, even if we are able to respond in a timely and appropriate manner, we cannot predict how negative publicity may affect our reputation and business. We and our employees also use social media to communicate externally. There is risk that the use of social media by us, our employees, executives, or board members to communicate about our business or other matters may give rise to liability, damage our brand, or result in public**

exposure of personal data of our employees or customers, each of which could affect our revenue, business, results of operations and financial condition. We rely on several different marketing channels to acquire and retain customers and to promote our brands and our products. If we are not able to effectively acquire and retain customers via such channels then our business, financial condition, results of operations and prospects could be harmed. Our ability to effectively market is critical to our success. We use a variety of earned media and paid marketing channels, in combination with compelling offers, brand ambassadors, proprietary content, and unique game and site features, to attract and engage customers. Furthermore, we continuously optimize our marketing spend using data collected from our operations. Our marketing spend is based on a return-on-investment model that considers a variety of factors, including the product offerings in the jurisdiction, the performance of different marketing channels, predicted lifetime value, marginal costs and expenses and behavior of customers across various product offerings. With respect to paid marketing, we use a broad array of advertising channels, including television, radio, social media platforms, sponsorships, affiliates and paid search, and other digital channels. We also use other forms of marketing and outreach, such as our social media channels, first-party websites, media interviews and other media spots and organic searches. These efforts are concentrated within the specific jurisdictions where we operate or intend to operate. In some regions and for some brands or products we may rely extensively on independent third-party marketers, known as “affiliates” marketers. “Affiliates” is an industry term that describes independent third parties which assist us in acquiring new customers and which are generally paid on a revenue-share or cost-per-acquisition basis. Despite the word “affiliate”, these are independent parties that are not otherwise affiliated with us. Notwithstanding that in some jurisdictions for license purposes we are deemed to control these “affiliates” marketers, their actions in the marketing of our brands are not directly within our control and hence actions, errors, omissions or intentional malfeasance on their part may cause damage to our brands, our business, our prospects and our financial results before we are able to detect such actions, errors, omissions or intentional malfeasance and / or do anything to mitigate the effects thereof. In particular, we can be held accountable by regulatory authorities for actions by such third parties in contravention of our license in a given jurisdiction, which in turn may lead to fines, license suspension, loss of license or other censure, which may in turn harm our business, our prospects and / or our financial performance. Our agreements with such marketers are sometimes such that we are obliged to pay them an ongoing share of revenues derived from customers that they introduce to us, or sometimes such that we are required to pay them a “cost per acquisition” capitation fee for each customer introduced, or sometimes a combination of both. Such third-party “affiliates” are under no obligation to continue introducing customers to us, but we may be obliged to continue to pay them future revenue shares where applicable nonetheless. Our lack of control over such marketers also means that if, for whatever reason, their effectiveness or ability to introduce us to new customers deteriorates then we may have no ability to mitigate or reverse the loss of new customers from this channel. Such marketers may also in certain circumstances have some degree of ongoing influence over the customers that they introduce to us, and hence may be able to subsequently entice such customers away from our brands if they choose to do so. We rely on strategic relationships with local partners such as land-based casinos, lotteries or professional sports teams to be able to provide our offerings in certain jurisdictions. If we cannot establish and manage relationships with these partners, our business, financial condition, results of operations and prospects could be adversely affected. Some jurisdictions’ betting and gaming laws limit online casino, online sports betting and retail sports betting tethered to a finite number of local entities, such as land-based casinos, tribes, tracks or professional sports teams, which own one or more “skins” under that jurisdiction’s law. A “skin” is a legally authorized license from a jurisdiction to offer online sports betting or online casino. The “skin” provides a market access opportunity for retail and online betting and gaming operators to operate in the jurisdiction pending, subject to licensure and other required approvals by the relevant gaming regulator. The entities that control those “skins” and the numbers of “skins” available are typically determined by a jurisdiction’s betting and gaming laws. In most jurisdictions where we offer online casino and sports betting, we currently rely on a casino, tribe, track or professional sports team to get a “skin.” If we cannot establish, renew or manage our relationships with our local partners, our relationships could terminate, and we would not be allowed to operate in those jurisdictions until we enter into new ones. As a result, our business, financial condition, results of operations and prospects could be adversely affected. In certain jurisdictions we leverage customer databases provided to us by our local partners, including affiliated land-based casinos, in furtherance of our offerings such as for marketing and promotional activities. In some instances, we do not own the information data in these databases. The local partner owner could restrict or terminate our right to use all or part of these databases or increase the price for us to use the same. If we are unable to access and leverage any such customer database or if it becomes uneconomical to do such, our ability to effectively market and promote our offerings in certain jurisdictions could be impacted, which could materially adversely affect our business, reputation, financial condition, operating results and cash flows. Our customers primarily access our online sports betting and online casino offerings through our app on their mobile devices, and we believe that this will continue going forward. To enable our customers to use our offerings through our app on their mobile devices, our app must be compatible with the major mobile operating systems such as iOS and Android. Third parties with whom we do not have any formal relationships control the design of mobile devices and operating systems. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to download apps or access specified content on mobile devices. Further, we rely upon third-party platforms for distribution of our app and offerings. Our apps online sports betting and online casino offerings are primarily distributed through the Apple App Store, the Google Play store and traditional websites. In light of this, the promotion, distribution and operation of our app are subject to the applicable distribution platform terms and policies for application developers, which are very broad and subject to frequent changes and interpretation and may not be consistently or uniformly enforced across all applications and with all publishers. For instance, the Apple App Store has imposed a policy limiting the

overall storage space apps like ours can use in certain instances, which could negatively impact our apps and app development, the variety of casino- oriented content we make available on our apps and our customers' experiences using our app. Moreover, we are, and will continue to be, dependent on the interoperability of our platform with popular mobile operating systems —such as iOS and Android, technologies, networks and standards that we do not control. Any changes, bugs, technical or regulatory issues in such systems, or any changes in our relationships with mobile manufacturers and carriers, or in their terms of service or policies that negatively affect our offerings' functionality, or that reduce or eliminate our ability to distribute our offerings, provide preferential treatment to competitive products, limit our ability to deliver our offerings, or impose fees or other charges related to delivering our offerings, could adversely affect the use and monetization of our offerings on mobile devices. Our offerings require high- bandwidth data capabilities to place time- sensitive bets and stream content. If high- bandwidth capabilities do not continue to grow or grow more slowly than anticipated, particularly for mobile devices, our customer growth, retention and engagement may be negatively impacted. To deliver high- quality content over cellular networks, our offerings must work well with a range of mobile technologies, systems, networks, regulations and standards that we do not control. In particular, any future changes to the iOS or Android operating systems (which likely will occur) may impact the accessibility, speed, functionality and other performance aspects of our platform. In addition, the adoption of any laws or regulations that adversely affect the growth, popularity or use of the Internet, including laws governing Internet neutrality, could decrease the demand for our offerings and increase our cost of doing business. Specifically, any laws that would allow mobile providers in the jurisdictions in which we operate to impede access to content or otherwise discriminate against content providers like us over their data networks, could have a material adverse effect on our business, financial condition, results of operations and prospects. If it becomes more difficult for our customers to access and use our offerings on their mobile devices, if they choose not to access or use our offerings on their mobile devices, or if they choose to use mobile products that do not offer access to our offerings, our customer growth, retention and engagement could be materially harmed. Additionally, if any of the third- party platforms used to distribute our offerings were to limit or disallow advertising on their platforms for whatever reason or technologies are developed that block the display of our ads, our ability to generate revenue could be negatively impacted. Also, technologies have been, and may continue to be, developed by companies like, such as Apple and Google, that, among other things, block or limit the display of our advertisements and some third- party cookies on mobile and desktop devices, limit cross- site and cross- device attribution, prevent measurement outside a narrowly- defined attribution window and prevent advertisement re- targeting and optimization. These developments could require us to make changes to how we collect information on, and track the actions of, our users and impact our marketing activities. While these changes have not had a material impact on our business to date, they could materially impact our business activities and practices in the future, and if we or our advertising partners are unable to timely and effectively adjust to those changes, there could be an adverse effect on our business, financial condition, results of operations and prospects. Our growth prospects may suffer if we are unable to develop successful offerings or if we fail to pursue additional offerings. In addition, if we fail to make the right investment decisions in our offerings and technology platform, we may not attract and retain customers and our revenue and results of operations may decline. We were ~~Since being~~ founded in 2012 and, we have primarily focused our efforts ~~since then~~ on growing our current offerings. We have rapidly expanded and anticipate expanding further as new markets open up, our offerings mature and we pursue our growth strategies. The industries in which we operate are subject to rapid technological change, evolving industry, regulatory and legal standards, frequent new product offerings and changes in customer preferences and expectations. We must continuously ~~decide make decisions about~~ which offerings and technology we should invest in to meet these evolving standards and customer preferences and must also continually introduce and successfully market new and innovative technologies, offerings and enhancements to remain competitive and stimulate customer demand, acceptance and engagement. Our ability to engage, retain and increase our customer base and to increase our revenue will depend heavily on our ability to successfully create new offerings, both independently and together with third parties. We may make changes to our existing technology and offerings or develop and introduce new and unproven products and, services and features, with which we have little or no prior development or operating experience. Developing new offerings and systems is inherently complex, costly and uncertain, and customers may not engage with new offerings, even if well- reviewed and of high quality. If we ~~cannot are unable to~~ develop technology and offerings that address users' needs or enhance and improve our existing ~~ones offerings~~ in a timely manner, that could have a material adverse effect on our business, financial condition, results of operations and prospects. We may be unable to compete effectively if our offerings fail to keep up with trends in new gaming offers or in the digital sports entertainment and gaming industries more broadly. While we intend to continue investing in our research and development efforts, if new or enhanced offerings fail to engage our customers or partners, we may fail to attract or retain customers or to generate sufficient revenue, margin or other value to justify our investments, any of which may seriously harm our business. Further, management may not properly ascertain or assess the risks of new initiatives, and subsequent events may alter these risks. Creating additional offerings can also divert our management' s attention from other business matters and opportunities. Even if our new offerings attain market acceptance, those new offerings could cannibalize the market share of our existing offerings or share of our customers' wallets in a manner that could negatively impact their ecosystem. Expanding our business and offerings also increases the complexity of our business and places an additional burden on our management, operations, technical systems and financial resources, and we may not recover the often- substantial up- front costs of developing and marketing new offerings or recover the opportunity cost of diverting resources away from other offerings. In the event of continued growth of our operations, products or in the number of third- party relationships, we may not have adequate resources, operationally, technologically or otherwise to support such growth and the quality of our technology, offerings or our relationships with third parties could suffer. In addition, failure to effectively identify, pursue and execute new business initiatives, or to efficiently adapt our processes and infrastructure to meet the needs of our innovations, may adversely affect our business, financial condition, results of operations and prospects. Any ~~Our~~ new offerings may ~~also~~ require our customers to use

or learn new skills to use our offerings. This could create a lag in adoption of these new offerings and in the number of active customers. To date, new offerings and enhancements of our existing technology have not hindered our customer growth or engagement, but that may be because a large part of our customer base is in a younger demographic and more willing to invest the time to learn to use our products most effectively. To the extent that future customers, including those in older demographics, are less willing to invest the time to learn to use our products, and if we are unable to make our products easier to use, our customer growth or engagement could be affected, and our business could be harmed. We may develop new products that increase customer engagement and costs without increasing revenue. Additionally, we may make bad or unprofitable decisions regarding these investments. If new or existing competitors offer more attractive offerings, we may lose customers or customers may decrease their spending on our offerings. New customer demands, superior competitive offerings, new industry standards or changes in the regulatory environment could render our existing offerings unattractive, unmarketable or obsolete and require us to make substantial unanticipated changes to our technology or business model. Our failure to adapt to a rapidly changing market or evolving customer demands could harm our business, financial condition, results of operations and prospects. The requirements of being a public company may strain our resources and divert management's attention, and the increases in legal, accounting and compliance expenses as a result of being a public company may be greater than we anticipate. We became a public company in December 2020, and as a public company (and particularly after we are no longer an "emerging growth company") we incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and must comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations implemented by the SEC and the listing standards of the New York Stock Exchange (the "NYSE"), including applicable corporate governance and disclosure and financial controls requirements. Compliance with these rules and regulations can be complex and burdensome. Our management and other personnel devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, the Business Combination and becoming a public company has made it more difficult and expensive for us to obtain director and officer liability insurance, and could also make it more difficult for us to attract and retain qualified board members compared to when we were a private company. In particular, we have incurred and continue to expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act, which will increase when we are no longer an "emerging growth company." We have hired, and may need to continue to hire, additional accounting and financial staff, and engage outside consultants, all with appropriate public company experience and technical accounting knowledge, and maintain an internal audit function, which have increased, and will likely continue to increase, our operating expenses. Moreover, we could incur additional compensation costs if we decide to pay cash compensation closer to that of other public companies, which would increase our general and administrative expenses and could materially and adversely affect our profitability. Our failure to maintain adequate financial, information technology and management processes and controls has in the past resulted in, and could in the future result in, material weaknesses that could lead to errors in our financial reporting, which in turn could adversely affect our business. As an emerging growth company, we are currently exempt from certain of the SEC's internal control reporting requirements. **We However, we will lose our continue to be an emerging growth company status and become subject to additional internal control for the first five fiscal years after our IPO unless one of the following occurs: total annual gross revenues are \$ 1.235 billion or more, we have issued a cumulative \$ 1 billion in non-convertible debt over financial reporting management and auditor attestation requirements in the three year years in which, or when we are deemed to be a large accelerated filer, which will occur once we are subject to Exchange Act reporting requirements for 12 months, have filed at least one SEC annual report and the market value of our common equity held by non-affiliates exceeds \$ 700 million as of the end of the prior fiscal year's second fiscal quarter. If we lose our emerging growth company status, we will become subject to additional internal control over financial reporting management and auditor attestation requirements.** While we have not identified any "material weaknesses" in our internal control over financial reporting as of and for the fiscal year ended December 31, 2022-2023, we have identified material weaknesses in the past. For instance, as of and for the year ended December 31, 2020 and the quarters ended March 31, 2021 and June 30, 2021, we identified a material weakness in our internal control over financial reporting related to the accounting for a significant and unusual transaction related to the warrants we issued in connection with our IPO in February 2020 and the Business Combination in December 2020. As a result of this material weakness, our management concluded that our disclosure controls and procedures were not effective as of December 31, 2020, March 31, 2021 and June 30, 2021. This material weakness resulted in a material misstatement of our warrant liabilities, change in fair value of warrant liabilities, additional paid-in capital, accumulated deficit, non-controlling interests and related financial disclosures for the affected periods. Following the identification of the material weakness and other control deficiencies, we implemented measures to remedy the same. We can give no assurance that any measures we take in the future will remediate any material weakness we may identify or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate disclosure controls and procedures or internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our consolidated financial statements. Furthermore, we may be unable to complete our evaluation, testing and any required remediation with respect to any identified material weakness in a timely fashion. Our current controls and any new controls that we develop may become inadequate because of design-related issues and changes in our business, including increased complexity resulting from revenue sharing arrangements or expansion into new markets, in particular internationally. Any failure to implement and maintain effective internal controls over financial reporting could adversely affect the results of

assessments by our independent registered public accounting firm and their attestation reports. If we are unable to certify the effectiveness of our internal controls or if our internal controls have any material weaknesses, we may not detect errors timely, our consolidated financial statements could be misstated, and we could be subject to regulatory scrutiny and a loss of confidence by stakeholders, which could harm our business and adversely affect the market price of our securities. **Due to the nature of our business, we are subject to taxation in numerous jurisdictions, and changes in or new interpretation of tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect our business, financial condition, results of operations and prospects.** Our tax obligations are varied and include U. S. federal, state, and local and international taxes due to the nature of our business. The tax laws that apply to our business are subject to interpretation, and significant judgment is required in determining our worldwide provision for income taxes. In the course of our business, there will be many transactions and calculations where the ultimate tax determination is uncertain. In addition, increases in our income tax rates or other changes in U. S. or international income tax laws could reduce our after- tax income from the relevant jurisdictions, and existing tax laws have been and could in the future be subject to significant change, any of which adversely affect our business, financial condition or results of operations. For example, the 2017 U. S. Tax Cuts and Jobs Act (the “ TCJA ”) was signed into law in the United States in 2017, which provided for significant changes to then- existing tax laws and additional guidance issued by the IRS pursuant to the TCJA may continue to impact us in future periods. In addition, the Inflation Reduction Act (the “ IRA ”) was enacted in August 2022, the provisions of which include a minimum tax equal to 15 % of the adjusted financial statement income of certain large corporations, as well as a 1 % excise tax on certain share buybacks by public corporations that would be imposed on such corporations. While we are analyzing the impact of the IRA, we are currently unable to predict whether other proposed changes will occur and, if so, when they would be effective or the ultimate impact on us or our business. To the extent that such changes have a negative impact on us or our business, these changes may materially and adversely impact our business, financial condition, and results of operations. Further, it is possible that changes under the IRA, the TCJA or other tax legislation could increase our future tax liability, which could in turn adversely impact our business and future profitability. **Further, many** Many jurisdictions and intergovernmental organizations have been discussing or are in the process of implementing proposals that may change various aspects of the existing framework under which our tax obligations are determined in many of the jurisdictions in which we do business and in which our users are located. For example, the Organization for Economic Co- operation and Development (the “ OECD ”), an international association comprised of 38 countries, including the United States, has issued proposals that change long- standing tax principles including on a global minimum tax initiative. On December 12, 2022 the European Union member states agreed to implement the OECD’ s Base Erosion and Profit Shifting (“ BEPS ”) 2. 0 Pillar Two global corporate minimum tax rate of 15 % on companies with revenues of at least € 750 million, which would go into effect in 2024. In December 2022, South Korea enacted new global minimum tax rules to align with the OECD’ s BEPS 2. 0 Pillar Two. Other countries, including the United Kingdom, Switzerland, Canada, and Australia are also actively considering changes to their tax laws to adopt certain parts of the OECD’ s proposals. **We** The Company will continue to monitor regulatory developments to assess potential impacts to **us the Company**. The gaming industry represents a significant source of tax revenue to the jurisdictions in which we are licensed. Gaming companies are subject to significant taxes such as gaming taxes, and fees in addition to normal corporate income taxes, and such taxes and fees are subject to increase at any time. From time to time, various government bodies or officials have proposed and / or adopted changes in **tax rates**, tax laws, or in administration, interpretation or enforcement of such laws, affecting the gaming industry. For instance, regulatory authorities may, as they have done in the past, change applicable regulations or their interpretation thereof, related to whether we can deduct for purposes of calculating gaming taxes that we may owe in that jurisdiction, certain promotional incentives such as free bets that we give to some of our customers, and if so, the maximum amount that may be deducted. Worsening economic conditions and the large number of jurisdictions with significant current or projected budget deficits, could also intensify government efforts to raise revenues through tax increases. **For instance, certain U. S. jurisdictions have proposed or effected gaming tax rate increases in recent years.** We cannot determine with certainty the likelihood of changes in **tax rates**, tax laws or in the administration, interpretation or enforcement of such laws. Any material increase in, or the adoption of, additional taxes or fees could have a material adverse effect on our business, financial condition, results of operations and prospects. Tax authorities may also impose indirect taxes on Internet- related commercial activity or digital services based on existing laws and regulations which, in some cases, were established prior to the advent of the Internet. Tax authorities may interpret laws originally enacted for mature industries and apply them to newer industries such as ours. Such laws may be applied inconsistently across jurisdictions. Our in- jurisdiction activities may vary from period to period, which could result in differences in nexus from period to period. We are subject to periodic reviews, examinations and audits by domestic and foreign tax authorities. Tax authorities may disagree with certain positions we have taken or will take, and any adverse outcome of such a review, examination or audit could have a negative effect on our business, financial condition, results of operations and prospects. Although we believe our tax provisions, positions and estimates are reasonable and appropriate, tax authorities may disagree with them. In addition, economic and political pressures to increase tax revenue in various jurisdictions or the adoption of new or reformed tax legislation or regulation may make resolving tax disputes favorably more difficult and the final resolution of tax audits and any related litigation can differ from our historical provisions and accruals, resulting in an adverse impact on our business, financial condition or results of operations. We have international operations, which subjects us to additional costs, complexities and risks that could adversely affect our operating results. Portions of our operations are located abroad such as in Colombia, Estonia, Canada, Mexico and Malta, and we may in the future pursue opportunities in other non- U. S. jurisdictions. Some of our customers, business partners, suppliers and personnel, as well as many of the leagues, sports, events, games and matches that we offer wagers on are also based in foreign jurisdictions. Such operations may expose us to high levels of currency, political, economic and compliance risk. Compliance with international, Colombian, Estonian, Canadian, Mexican, Maltese, U. S. and other laws and regulations that apply to our

operations increases our cost of doing business. For example, in response to the conflict between Russia and Ukraine, the U. S. government and other governments have imposed a series of sanctions against certain Russian government, government- related, and other entities and individuals, together with enhanced export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia. The governments of other jurisdictions in which we operate, such as the EU and Canada, have also implemented additional sanctions or other restrictive measures. As a result of our international operations, we are subject to a variety of risks and challenges in managing an organization operating in various countries, including those related to: • differing labor and employment laws, rules, regulations and practices, including different employee / employer relationships, existence of works councils and labor unions, and other challenges caused by distance, language, cultural and time zone differences; • general economic conditions in the foreign jurisdictions where we have operations (and any other jurisdictions where we pursue non- U. S. opportunities); • political unrest, government instability, terrorism and the potential for other hostilities **such as the evolving conflict in the Middle East, where some of our suppliers are located or have operations and personnel**; • public health risks, particularly in areas in which we have significant operations; • constantly evolving geopolitical environment, international and domestic political, regulatory and economic landscapes, including trends like populism, nationalism and negative sentiment toward multinational companies; • capital controls, difficulties in transferring funds from certain countries, managing foreign exchange rate fluctuations and risks, trade actions, tariffs, export controls and sanctions; • overlapping or changes in tax regimes; • laws and regulations such as the U. S. Foreign Corrupt Practices Act, and local laws that prohibit corrupt payments to governmental officials, money- laundering and financing of terrorist and other unlawful financial activities, and changes to these laws and regulations from time to time; and • reduced protection for, or uncertainty around, intellectual property rights in some jurisdictions, as well as uncertainty around the application and interpretation of local laws, particularly due to the lack of legal precedent. If we are unable to expand or adequately staff and manage our existing foreign operations, we may not realize, in whole or in part, the anticipated benefits from these initiatives (including lower development expenses), which in turn could materially adversely affect our business, financial condition, results of operations and prospects. Negative publicity ~~of~~ **about** us or an adverse shift in public opinion regarding sports betting or online casino may adversely impact our business and customer retention. A negative shift in public opinion of sports betting or online casino, or how politicians and other governmental authorities view sports betting or online casino, whether fueled by news outlets ~~such as The New York Times~~ or otherwise, could result in future legislation or new regulations restricting or prohibiting some or all sports betting or online casino activities in certain jurisdictions, the result of which may negatively impact our business, financial condition, results of operations and prospects. Further, negative publicity about us or our offerings, platform or customer experience, or those of our competitors or third parties with whom we have relationships or the underlying sports leagues could seriously harm our reputation or that of the industry overall. We depend on RSG and certain of its affiliates to provide us with certain **limited** services, which may not be sufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services to the extent that our services agreement with RSG terminates or expires. Historically, RSG and certain of its affiliates have provided, and in certain cases continue to provide, under a services agreement between us and RSG, certain **limited** corporate and shared services such as government affairs, certain business development, insurance and other services. We reimburse RSG for all third- party costs it incurs in providing services to us at cost (with no mark- up) and reimburse RSG for an allocable portion of payroll, benefits and overhead with respect to RSG employees who perform or assist with providing services to us. While RSG provides these services to us, we will depend on them for services that are critical to our operations, and our operational flexibility to modify or implement changes with respect to such services and the cost of them will be limited. If the services agreement with RSG terminates or expires, we may be unable **, in certain instances,** to replace these services or enter into appropriate third- party agreements on terms, including cost and quality, comparable to those that we currently receive. Although we may in the future replace some or all of the services that RSG currently provides, we may encounter difficulties replacing certain services or be unable to negotiate pricing or other terms as favorable as those we currently have in effect. Risks Related to Government Regulation We are subject to laws and regulations relating to real- money online casino and retail and online sports betting in the jurisdictions in which we conduct our business or in some circumstances, where our offerings are available. We are also subject to the general laws and regulations that apply to all e- commerce businesses, such as those related to privacy and personal information, tax and consumer protection. Additionally, we and our market access partners (where applicable) are subject to various reporting and anti- money laundering regulations. These laws and regulations vary among jurisdictions and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes and climates, as well as personal biases, may have a material impact on our operations and financial results. In particular, some jurisdictions have introduced regulations or legislation attempting to restrict or prohibit online gaming. Additionally, some jurisdictions in which we may operate could presently be unregulated, partially regulated or in the process of regulating and therefore may be more susceptible to the enactment or change of laws and regulations. We offer our real- money offerings in 15 U. S. states that have adopted legislation and regulations permitting online casino, online sports betting and / or retail sports betting. In those states that currently require a license or registration, we have obtained the appropriate license or registration or have obtained a provisional license. We also currently operate under foreign licenses in Colombia, Ontario, Canada and Mexico. In May 2018, the U. S. Supreme Court struck down as unconstitutional PASPA. This decision effectively lifted federal restrictions on sports betting, thus allowing states to determine by themselves the legality of sports betting. Since the repeal of PASPA, numerous states (and Washington D. C.) have legalized online sports betting. To the extent new real- money online casino or retail or sports betting jurisdictions are established or expanded, we cannot guarantee that we will ~~be successful~~ **successfully** in ~~penetrating~~ **penetrate** such new jurisdictions or ~~expanding~~ **expand** our business or customer base in line with the growth of existing jurisdictions. If we are unable to effectively operate in these new jurisdictions or if our competitors successfully penetrate geographic jurisdictions that we cannot access or where we face other restrictions,

that could materially adversely affect our business, financial condition, results of operations and prospects. Our failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, could have a material adverse effect on our business. See “Business — Government Regulation.” To expand into new jurisdictions, we may need to be licensed and obtain approvals of our offerings. ~~This is a~~, **which can be** time-consuming ~~and process that can be~~ extremely costly and can divert management’s attention away from operating the business. Any delays in obtaining or difficulty in maintaining regulatory approvals needed for expansion within existing jurisdictions or into new jurisdictions can negatively affect our opportunities for growth, including the growth of our customer base, or delay our ability to recognize revenue from our offerings in any such jurisdictions. Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on our operations and financial results. Governmental authorities could view us as having violated local laws, despite our efforts to obtain applicable licenses or approvals. Further, governmental authorities or courts could determine that our free- to- play, social gaming offerings constitute unauthorized gambling or that legislation is enacted in jurisdictions in which we operate such social gaming offerings that makes them unauthorized gambling, which could negatively impact our operations and business results and expose us and certain of our third- party providers, including the app stores that distribute our apps, to potential litigation. Civil and criminal proceedings, including class actions brought by or on behalf of prosecutors, public entities, incumbent monopoly providers or private individuals, could be initiated against us, Internet service providers, credit card and other payment processors, financial institutions, advertisers and others involved in the online gaming industries. Such potential proceedings could involve substantial litigation expense, penalties, fines, asset seizures, injunctions or other restrictions being imposed upon us, our licensees or other business partners, while diverting the attention of **management key executives**. Such proceedings could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as impact our reputation. Legislation could be proposed and passed in jurisdictions relevant or potentially relevant to our business to prohibit, legislate or regulate various aspects of the online and retail gaming industries (or that existing laws in those jurisdictions could be **subject to challenge, be** interpreted or enforced negatively **or could be invalidated or otherwise deemed to be unconstitutional**). Compliance with any such legislation may have a material adverse effect on our business, financial condition, results of operations and prospects, either as a result of us determining that a jurisdiction should be blocked, or because a local license or approval may be costly for us or our business partners to obtain and / or such licenses or approvals may contain other commercially undesirable conditions. In the United States, the UIGEA prohibits, among other things, a business accepting a wager by means of the Internet where such wager is prohibited by any federal or state law where initiated, received or otherwise made. Under UIGEA severe criminal and civil sanctions may be imposed on the owners and operators of such systems and on financial institutions that process wagering transactions. The law contains a safe harbor for wagers placed within a single state (disregarding intermediate routing of the transmission) where the method of placing the wager and receiving the wager is authorized by that state’s law, provided the underlying regulations establish appropriate age and location verification. The U. S. Illegal Gambling Business Act (“IGBA”) makes it a crime to conduct, finance, manage, supervise, direct or own all or part of an “illegal gambling business” and the U. S. Travel Act makes it a crime to use the mail or any facility in interstate commerce with the intent to “distribute the proceeds of any unlawful activity” or “otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity.” For an action to violate either the IGBA or the Travel Act, it must violate an underlying state law. In 2011, the DOJ issued an opinion concluding that the Wire Act’s prohibitions were limited to sports gambling and thus did not apply to state lotteries (the “2011 DOJ Opinion”). Subsequently, in 2019, the DOJ changed course and published a legal opinion concluding that the Wire Act’s restrictions on the transmission in interstate or foreign commerce of bets and wagers were not limited to sports gambling but instead applied to all bets and wagers. This 2019 legal opinion was challenged in court, and both the district and appellate courts held that the 2011 DOJ Opinion was the correct interpretation. The DOJ did not appeal the matter. Consequently, at this time it appears that the 2011 DOJ Opinion is the prevailing view with respect to the Wire Act’s applicability; however, we cannot provide any assurance that there won’t be future interpretations, challenges, case law or legislation that may alter the Wire Act’s applicability. Privacy and data protection regulations are complex and rapidly evolving areas. Any failure or alleged failure to comply with these laws could harm our business, reputation, financial condition and operating results. Authorities around the world have adopted and are considering a number of legislative and regulatory proposals concerning privacy, data protection and limits on encryption of user data. Adverse legal rulings, legislation or regulation may result in fines and orders requiring us to change our data practices, which could adversely affect our ability to provide our offerings, harming our business operations. Complying with these evolving laws could be costly and harm the quality of our offerings, negatively affecting our business. Among others, we are, or may become, subject to the following laws and regulations: • The General Data Protection Regulation, which may apply to our activities to the extent conducted from an establishment in the European Union (the “EU”) or related to products and services that we offer to EU users or customers, or the monitoring of their behavior in the EU. Compliance with the range of obligations created by the GDPR is an ongoing commitment that involves substantial costs. Despite our efforts, governmental authorities or others may assert that our business practices fail to comply with its requirements. If our operations are found to violate the GDPR, we may incur substantial fines, have to change our business practices or face reputational harm, any of which could have an adverse effect on our business. Serious breaches of the GDPR can result in administrative fines of up to 4 % of annual worldwide revenues. Fines of up to 2 % of annual worldwide revenues can be levied for other specified violations; and • Various state privacy laws, such as the California Consumer Privacy Act of 2018 (effective January 2020), which was amended by the California Privacy Rights Act (effective January 2023); the Virginia Consumer Data Protection Act (effective January 2023); the Colorado Privacy Act (~~to be~~ effective July 2023); the Utah Consumer Privacy Act (~~to be~~ effective December 2023); ~~and~~ Connecticut’s “An Act Concerning Personal Data Privacy and Online Monitoring” (~~to be~~ effective July 2023); **the Delaware Personal Data Privacy Act (to be effective January 2025); the New Jersey Data Privacy Act (to be effective January 2025); and the New**

Hampshire Privacy Act (to be effective January 2025)); all of which give new data privacy rights to their respective residents (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices) and impose significant obligations on controllers and processors of consumer data. Further, we are subject to evolving laws and regulations that dictate whether, how and under what circumstances we can transfer, process and / or receive personal data. The EU- U. S. Privacy Shield framework that previously allowed U. S. companies that self- certify to the U. S. Department of Commerce and publicly commit to comply with specified requirements to import personal data from the EU has been invalidated by the Court of Justice of the EU (the “CJEU”). The CJEU upheld Standard Contractual Clauses (“SCCs”) as a valid transfer mechanism, provided they meet certain requirements. On June 4, 2021, the European Commission published new SCCs for this purpose, and we may have to adapt our existing contractual arrangements to meet these new requirements. The validity of data transfer mechanisms remains subject to legal, regulatory and political developments in both Europe and the United States, such as recent recommendations from the European Data Protection Board, decisions from supervisory authorities, recent proposals for reform of the data transfer mechanisms for transfers of personal data outside the United Kingdom, and potential invalidation of other data transfer mechanisms, which, together with increased enforcement action from supervisory authorities in relation to cross- border transfers of personal data, could have a significant adverse effect on our ability to process and transfer personal data outside of the European Economic Area and / or the United Kingdom. These laws and regulations are evolving and subject to interpretation, including developments that create some uncertainty, and compliance obligations could cause us to incur costs or harm the operations of our offerings in ways that harm our business. For example, in the EU, several supervisory authorities have issued new guidance concerning the ePrivacy Directive’s requirements regarding the use of cookies and similar technologies, including limitations on the use of data across messaging products and specific requirements for enabling users to accept or reject cookies, and have in some cases brought (and may bring in the future) enforcement action in relation to those requirements. In the United States, certain types of cookies may be deemed sales of personal information within the CCPA and other state laws, such that certain disclosure requirements and limitations apply to the use of such cookies. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local data storage and processing that could increase the cost and complexity of delivering our services in those countries, while decreasing reliability. Numerous **U. S. states North American and Latin American jurisdictions** have legalized or are currently considering legalizing real- money gaming, and our growth, business, financial condition, results of operations and prospects significantly depend upon the legalization of real- money gaming expanding to new jurisdictions. Our business plan is partly based on real- money gaming becoming legal for a specific percentage of the population **of certain jurisdictions** annually; however, this legalization may not occur as we have anticipated. Additionally, if a large number of additional **states jurisdictions** or the **U. S.** federal government enact real- money gaming legislation and we are unable to obtain or are otherwise delayed in obtaining the necessary licenses to operate online sports betting or online gaming in **U. S. jurisdictions** where such games are legalized, our future growth could be materially impaired. **U. S. states or North and Latin American jurisdictions, whether at the federal government, state, provincial, regional or local level,** may legalize real- money gaming in a manner unfavorable to us. As a result, we may encounter legal, regulatory or political challenges that are difficult to foresee and which could result in **an unforeseen adverse impact impacts** on projected revenues or costs associated with the new opportunity. For example, certain **states jurisdictions** require us to have a relationship with a local partner for online sportsbook or online gaming access, which tends to increase our costs of revenue. States **with that have** state- run monopolies may limit opportunities for private sector participants like us. States also impose substantial taxes on online sports betting and online gaming revenue, in addition to sales taxes in certain jurisdictions and a **U. S.** federal excise tax of 25 basis points on the amount of each wager. As most state product taxes apply to various measures of modified gross profit, tax rates, whether federal- or state- based, that are higher than we expect will make it more costly and less desirable for us to launch in a given jurisdiction, while tax increases in any of our existing jurisdictions may adversely impact our profitability. Even in jurisdictions where online gaming is legal and regulated, the licensing and regulatory regimes can vary widely in their business- friendliness and at times may be intended to provide incumbent operators with advantages over new licensees. Thus, some “liberalized” regulatory regimes are considerably more commercially attractive than others. Compliance with the various regulations applicable to real- money gaming is costly and time- consuming. Regulatory authorities at the foreign, U. S. federal, state and local levels have broad powers **with respect to regulating regulate and licensing license** real- money gaming operations and may revoke, suspend, condition or limit our gaming licenses, impose substantial fines on us and take other actions, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. These laws and regulations are dynamic and subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current laws or regulations or enact new ones regarding these matters, in particular with respect to marketing, advertising **and**, promotional activities **and responsible gaming**. We strive to comply with all applicable laws and regulations relating to our business. However, these requirements may be interpreted and applied inconsistently across jurisdictions and may conflict with other rules. Non- compliance with any such law or regulations could expose us to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business, financial condition, results of operations and prospects. Our ability to grow our business will depend in part on our ability to obtain and maintain licenses to make our offerings available in a large number of jurisdictions or in heavily populated jurisdictions. If we fail to obtain and maintain licenses in large jurisdictions or in a greater number of mid- market jurisdictions, this may prevent us from expanding our offerings’ footprint, increasing our customer base and / or generating revenues. We cannot be certain that we will be able to obtain and maintain licenses and related approvals necessary to conduct our online casino and retail and online sports betting operations. Any failure to obtain, maintain or renew licenses, registrations, permits or approvals could have a material adverse effect on our business, financial condition, results of operations and prospects. Any of our gaming licenses could be revoked,

suspended or conditioned at any time. Losing a license in one jurisdiction could trigger the loss of a license or affect our eligibility for a license in other jurisdictions, and any of such losses, or potential for such loss, could cause us to cease offering some or all of our offerings in the impacted jurisdictions. We may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals, and could incur fines or experience delays related to the licensing process, which could adversely affect our operations. Our delay or failure to obtain or maintain licenses in any jurisdiction may prevent us from distributing our offerings, increasing our customer base and / or generating revenues. In addition, a gaming authority may refuse to issue or renew a gaming license or restrict or condition the same, based on our past or present activities or our current or former directors, officers, employees, stockholders or third parties with whom we have relationships, which could adversely affect our business, financial condition, results of operations and prospects. If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could adversely affect us. From time to time, legislatures in some jurisdictions in which we have existing or planned operations introduce proposals that, if enacted, could adversely affect our directors, officers, key employees or other aspects of our operations. To date, we believe we have obtained all governmental licenses, findings of suitability, registrations, permits and approvals necessary for our operations. However, we cannot guarantee that additional licenses, permits and approvals that may be required will be given or that existing ones will be renewed or will not be revoked. Renewal is subject to, among other things, continued satisfaction of suitability requirements of our directors, officers, key employees and stockholders. Any failure to renew or maintain our licenses or to receive new licenses when necessary would have a material adverse effect on our business, financial condition, results of operations and prospects. Our key executives, ~~and~~ certain employees or other individuals **personnel** related to our business are generally subject to licensing or compliance requirements, including determinations of suitability. Failure by such individuals to obtain the necessary licenses or comply with individual regulatory obligations could cause us to be non-compliant with our obligations or imperil our ability to obtain or maintain licenses necessary for us to conduct our business. In addition, our Charter includes provisions that may require stockholders to sell their securities if they are deemed to be “unsuitable”. As part of obtaining gaming licenses, the gaming authorities generally determine suitability of certain directors, officers and **employees personnel** and, in some instances, significant stockholders. The criteria used to determine who requires a finding of suitability or the actual suitability of an applicant varies across jurisdictions, but generally requires extensive and detailed disclosures followed by a thorough investigation to evaluate an applicant’s reputation for good character, criminal and financial history and character of those with whom the applicant associates. Gaming authorities typically have broad discretion in determining whether an applicant should be found suitable within a given jurisdiction. If any gaming authority with jurisdiction over ~~us our business~~ were to find any of our officers, directors, **employees personnel** or significant stockholders unsuitable for licensing or ~~for unsuitable to continue continuing having to have~~ a relationship with us, we would be required to sever that relationship, including by requiring a sale ~~to us or a third party~~ of any equity interests such individual holds in us ~~to us or other third party~~. In fact, our Charter provides that any equity interests of the Company owned or controlled by an unsuitable person or its affiliates will be subject to mandatory sale and transfer to us or one or more third- **parties party transferees** and in such number and class (es) / series of equity interests as ~~determined by~~ the Board **determines** in good faith (following consultation with reputable outside and independent gaming regulatory counsel) pursuant to a resolution adopted by a majority of the Board. ~~Furthermore~~ **Further**, such gaming authorities may require us to terminate ~~the employment of~~ **our relationship with** any person who refuses to file required applications. Either result could have a material adverse effect on our business, financial condition, results of operations and prospects. Risks Related to Intellectual Property and Data Security **We rely on information technology and other..... results of operations and prospects.** We and our business partners maintain significant amounts of **electronic** data ~~electronically~~ in locations around the world. This data relates to all aspects of our business, including current and future offerings, features and services under development, and customer, supplier, partner and personnel data. The secure maintenance and transmission of such data is critical to our operations. Our information technology and other systems that maintain and transmit this information may be compromised by cyberattacks or malicious third- party penetration of our network security or impacted by intentional or unintentional actions (such as tampering) or inaction by our personnel or others. As a result, our customers’, **suppliers’, partners’** and / or personnel’s ~~information data~~ and funds may be lost, disclosed, corrupted, accessed or taken without such individuals’ consent. We provide confidential and proprietary ~~information data~~ to our third- party partners and service providers when ~~it doing so~~ is reasonably necessary to conduct our business. While we obtain assurances from those parties that they have systems and processes in place to protect such data, and where applicable, that they will take steps to assure the protections of such data by third parties, nonetheless those partners and service providers and their technology and systems are also subject to the same risks noted above. **To help protect customer accounts, we offer, and in some jurisdictions we require, multi-factor authentication and strong authentication.** Given the data intensive nature of our business, we have experienced attempts to breach our systems and other similar incidents in the past. We have been and will likely continue to be subject to attempts to gain unauthorized access to customer accounts through our information systems or those we develop for our business partners, including through phishing attacks, exploiting software vulnerabilities or credential stuffing by malicious actors who may try to deploy viruses, worms or other malicious programs. To date, these attacks have not had a material impact on our operations or financial results, but we cannot assure you that they will not have a material impact in the future, including by overloading our systems and network and preventing our offerings from being accessed by legitimate customers. We rely on third- party encryption and authentication technology in an effort to securely store **, limit access to,** and transmit confidential and sensitive information. Advances in computer capabilities, new technological discoveries or other developments **such as artificial intelligence** may result in failures of this technology to protect transaction data or other confidential and sensitive information from being ~~breached or~~ compromised. In addition, websites are often attacked through compromised credentials, including those obtained through phishing and credential stuffing. Our security measures, and those of our third- party providers, may not detect or prevent all attempts to breach our systems, denial- of- service attacks, viruses, malicious software,

break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by our websites, apps, networks and systems or that we or such third parties otherwise maintain, including payment card systems, which may subject us to fines or higher transaction fees, or limit or terminate our access to certain payment methods. We and such third parties may not anticipate or prevent all types of attacks until after they have already been launched. Further, techniques used to obtain unauthorized access to, or sabotage, systems change frequently and may not be known until launched against us or our third-party service providers. Security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our personnel or by third parties. These risks may increase over time as the complexity and number of technical systems and applications we use increases. Breaches of our security measures or those of our third-party providers, or cybersecurity incidents could result in: unauthorized access to our sites, apps, networks and systems; unauthorized access to and misappropriation of customer or personnel data, including personally identifiable information, or our or third parties' other confidential or proprietary information; viruses, worms, spyware or other malware being served from our sites, apps, networks or systems; deletion or modification of content or the display of unauthorized content on our sites or apps; interruption, disruption or malfunction of operations; costs relating to breach remediation, deployment of additional personnel and protection technologies, response to governmental investigations and media inquiries and coverage; engagement of third-party experts and consultants; or litigation, regulatory action and other potential liabilities. The online gaming industry continuously experiences social engineering, phishing, malware, **ransomware** and similar attacks and threats of denial-of-service attacks, none of which to date have been material to our business; however, such attacks could in the future have a material adverse effect on our operations. For instance, although we were unaffected, in late 2022, some of our competitors disclosed that their systems were subject to successful attempts by one or more individuals who ultimately gained unauthorized access to customer accounts and withdrew funds from the customers' accounts, **and in 2023 several land-based casinos experienced ransomware attacks, some of which significantly impacted their ability to operate effectively**. If a material security breach were to occur, our reputation and brands could be damaged, our business may suffer, we may have to expend significant capital and other resources to alleviate problems caused by such breaches, and we could be exposed to a risk of loss, litigation or regulatory action and possible liability. We cannot guarantee that recovery protocols and backup systems will be sufficient to prevent data loss. Actual or anticipated attacks may cause us to incur increased costs, including costs to deploy additional personnel and protection technologies, implement policies, procedures and response plans, train employees and engage third-party experts and consultants. Individuals who can illicitly obtain a customer's password could access that customer's transaction data or personal information, resulting in the perception that our systems are insecure. Any compromise or breach of our security measures, or those of our third-party providers, could violate applicable privacy, data protection, data security, network and information systems security and other laws and cause significant legal and financial exposure, adverse publicity and a loss of confidence in our security measures, which could have a material adverse effect on our business, financial condition, results of operations and prospects. We continue to devote significant resources to protect against security breaches, and we may need to in the future to address problems caused by breaches, including notifying affected customers and responding to any resulting litigation or investigations, which in turn, diverts resources from growing and expanding our business. We have cybersecurity insurance, which is designed to cover expenses associated with a security breach such as notification, credit monitoring, investigation, crisis management, public relations and certain legal advice. We also carry other insurance that may cover ancillary aspects of the event; however, damage and claims arising from a breach may not be completely covered, if at all, or may exceed the amount of any insurance available. We rely on information technology and other systems and platforms, and failures, errors, defects or disruptions therein could harm our brand and reputation, subject us to liability, disrupt our business, affect our ability to scale our technical infrastructure and adversely affect our operating results and growth prospects. Further, our offerings, online ~~gaming platform and other software applications and systems, and certain third-party platforms that we use could contain undetected errors~~. Our technology infrastructure is critical to the performance of our platform and offerings and to customer satisfaction. We devote significant resources to network and data security to protect our systems and data. However, our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could harm our business. We cannot assure you that absolute security will be provided by the measures we take to: detect, prevent, stop or respond to cyber-attacks and protect our systems, data and customer information; prevent outages, **or** data or information loss; and prevent or detect security breaches or fraud. Such measures include a disaster recovery strategy for server and equipment failure, back-office systems and the use of third parties for certain cybersecurity services. We have experienced, **including recently in the State of New York due to an issue with the hosting facility**, and we may in the future experience, disruptions, outages and other performance problems on our platform or offerings due to a variety of factors, including human or software errors, infrastructure changes, **power supply issues** and capacity constraints. To date, such disruptions, individually and in the aggregate, have not had a material impact on us; however, future disruptions from **the foregoing factors or** unauthorized access to, fraudulent manipulation of, or tampering with our systems, technological infrastructure and data, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect our business, financial condition, results of operations and prospects. Because our platform and offerings are complex and incorporate a variety of hardware, **and** proprietary software and third-party software, they may contain errors, bugs, flaws or corrupted data, which may become apparent only after their launch and could result in unanticipated downtime or vulnerabilities that could compromise our systems' security, including inadvertently permitting access to protected customer, **vendor or personnel** data. Online platforms and offerings such as ours frequently contain undetected errors when first introduced or when new versions or enhancements are released. We have from time to time found defects in, and experienced disruptions to, our platform and offerings and new defects or disruptions may occur in the future. **If in addition, if** an offering is unavailable when customers attempt to access it or navigation or other functionality in our platform is slower than expected, customers may be unable to use our offerings as desired and may be less likely to return to our

platform as often, if at all. Further, programming errors, defects and data corruption could disrupt our operations, adversely affect our customers' experience, harm our reputation, cause our customers to stop using our platform or offerings, divert our resources or delay market acceptance of our offerings, any of which could result in legal liability to us or harm our business, financial condition, results of operations and prospects. Insufficient business continuity management could diminish our brands and reputation, subject us to liability, disrupt our business and adversely affect our operating results and growth prospects, and failure of planned availability and continuity solutions and disaster recovery when activated in response to an incident could result in system interruptions and degradation of service. If our customer base and engagement continue to grow, and the amount and types of our offerings continue to grow and evolve, we will need additional technical infrastructure, including network capacity and computing power, to ~~meet continue to satisfy~~ our customers' demands. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components, in particular in light of supply chain issues caused by ~~COVID-19~~ **political unrest, regional conflicts**, chip shortages and other factors, may lead to increased project costs, operational inefficiencies or interruptions in the delivery or degradation of the quality of our offerings. In addition, issues related to this infrastructure that are not identified during ~~the testing phases of design and implementation~~ may become evident only after we have started to fully use the underlying equipment or software, that could further degrade the customer experience or increase our costs. As such, we could fail to continue to effectively scale and grow our technical infrastructure to accommodate increased demands. Further, a lack of resources (e.g., hardware, software, personnel and service providers) could result in an inability to scale our services to meet business needs, system interruptions, **service** degradation of service or operational mistakes. Our business also may be subject to interruptions, delays or failures resulting from ~~adverse~~ weather conditions, ~~other~~ natural disasters, power loss, terrorism, cyber ~~attacks~~, public health emergencies or other catastrophic events, any of which could have a material adverse impact on our business and operations. We believe that if our customers have negative experiences with our offerings or if our brands or reputation are negatively affected, customers may be less inclined to use or recommend our offerings. Thus, a significant interruption or failure in our platform could harm our reputation, our business, financial condition, **results of operations and prospects**. Failure to protect or enforce our intellectual property rights or the costs involved in such enforcement could harm our business, financial condition, results of operations and prospects. We rely on trademark, copyright, patent, trade secret and domain name protection laws to protect our rights in intellectual property. In the United States and certain foreign jurisdictions, we have filed applications to protect aspects of our intellectual property. We currently hold several patent applications in multiple jurisdictions, and in the future we may acquire additional patents, which could require significant cash expenditures. Third parties may knowingly or unknowingly infringe our ~~rights in intellectual property~~. ~~Third parties may also challenge our~~ intellectual property rights. **Third parties may also challenge our intellectual property rights**, and pending and future trademark, copyright and patent applications may not be approved. In ~~any of~~ these cases, we may **need be required** to expend significant time and expense to prevent infringement of or to enforce our rights. Notwithstanding our intellectual property rights, there can be no assurance that others will not offer products or services that are substantially similar to ours and compete with our business. Circumstances outside our control could pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available in the United States or other countries in which we operate or intend to operate. Also, the efforts we have taken to protect our intellectual property rights may not be sufficient or effective, and any significant impairment of our intellectual property rights could harm our business or our ability to compete. If we are unable to effectively protect our proprietary offerings and features, competitors may reverse engineer and / or copy them. ~~Additionally, protecting~~ **Protecting** our intellectual property rights is costly and time- consuming. Any unauthorized use of our intellectual property or disclosure of our confidential information or trade secrets could make it more expensive to do business, thus harming our operating results. Furthermore, if we are unable to protect our intellectual property rights or prevent unauthorized use or appropriation by third parties, the value of our brands, intellectual property and other intangible assets may be diminished, and competitors may be able to more effectively mimic our offerings. Any of these events could seriously harm our business, financial condition, results of operations and prospects. We license certain trademarks and domain names to RSG and its affiliates, and RSG's and its affiliates' use of such trademarks and domain names may harm our business. We entered into a license agreement with RSG, pursuant to which we granted to it and its affiliates a perpetual, royalty- free license to use in specific fields of use certain trademarks and domain names that RSG and certain of its affiliates assigned to us in connection with the Business Combination. This license may be either exclusive or non- exclusive based on the field of use and the particular trademark or domain name. This license precludes our use of certain trademarks and domain names in the exclusive fields of use. Certain trademarks and domain names that we licensed to RSG may include the words " Rush Street, " and RSG's use of such trademarks and domain names may disrupt our reputation in the marketplace, damage any goodwill we may have generated and otherwise harm our business, financial condition, results of operations and prospects. We rely on products, technologies, customer **databases** ~~data bases~~ and intellectual property such as certain " Bet Rivers " and " PlaySugarHouse " trademarks and domains, that we license or that are made available to us through agreements from affiliated and third parties, for use in our platform, offerings and / or operations. Substantially all our offerings use intellectual property licensed or made available to us through agreements from affiliated entities or third parties. See " Intellectual Property ". The future success of our business may depend, in part, on our ability to obtain, retain and / or expand licenses or other agreements for certain technologies. We cannot assure you that these third- party licenses and other agreements, or support for the technologies licensed or provided to us thereunder, will continue to be available to us on commercially reasonable terms, if at all. If we cannot renew and / or expand existing licenses or other agreements, we may have to discontinue or limit our use of the offerings that include or incorporate the licensed or provided technology. Some of our license agreements contain minimum guaranteed payments to the third party. If we are unable to generate sufficient revenue to offset the minimum guaranteed payments, it could negatively affect our business, financial condition, results of operations, prospects and cash flows. Our license agreements generally allow for assignment in the event of a strategic transaction but contain some limited termination rights post-

assignment. Certain of our license agreements grant the licensor rights to audit our use of their intellectual property. Disputes with licensors over uses or terms could result in our payment of additional fees or penalties, cancellation or non- renewal of the underlying license or litigation. The regulatory review process and licensing requirements also may preclude us from using technologies owned or developed by affiliated entities or third parties if those parties are unwilling to subject themselves to regulatory review or do not meet regulatory requirements. Some gaming authorities require gaming manufacturers to obtain approval before engaging in certain transactions, such as acquisitions, mergers, reorganizations, financings, stock offerings and share repurchases. Obtaining such approvals can be costly and time consuming, and we cannot assure you that such approvals will be granted or that the approval process will not result in delays or disruptions to our strategic objectives. Failure to maintain the integrity of our computer systems and customer data could result in damage to our reputation and subject us to fines, payment of damages, lawsuits and restrictions on our use of data. We collect and process information relating to our customers, personnel and others for various business reasons, including marketing and ~~promotional~~ **promotions purposes**. The collection and use of personal data is governed by U. S. and foreign privacy laws and regulations, which continue to evolve and may occasionally be inconsistent (or conflict) across jurisdictions. Various U. S. federal, state and foreign legislative or regulatory bodies may enact new or additional laws and regulations concerning privacy ~~and~~ **data retention, data-transfer and data** protection. For example, the EU’ s adoption of the GDPR, which became fully enforceable in May 2018, includes operational and compliance requirements with significant penalties for non- compliance. California has enacted the California Consumer Privacy Act, a comprehensive privacy law, which provides some of the strongest **U. S. privacy requirements to date in the United States**. In addition, new privacy laws and requirements in California, Colorado, **Connecticut, Utah** and Virginia went into effect **in calendar year** ~~on January 1,~~ **2023**. Compliance with applicable privacy laws and regulations may increase our operating costs and / or adversely impact our ability to market our offerings. In addition, non- compliance with applicable privacy laws and regulations by us (or in some instances, non- compliance by third parties engaged by us), including accidental loss, inadvertent disclosure, unapproved dissemination or a breach of security on systems storing our data, may result in damage to our reputation and subject us to fines, ~~payment of~~ **damages, lawsuits or restrictions on our use or transfer of data**. We rely on proprietary and commercially available systems, software and tools to provide security for processing of customer and personnel data, such as payment card and other confidential or proprietary information. Our data security measures are reviewed and evaluated regularly; however, they might not protect us against increasingly sophisticated and aggressive threats including, without limitation, computer malware, viruses, hacking and phishing attacks. **Use of artificial intelligence in our products or services may result in operational challenges, legal liability, reputational concerns and competitive risks. The use of artificial intelligence (“ AI ”), in particular generative AI, processes at scale is relatively new, and may lead to challenges, concerns and risks that are significant or that we may not be able to predict, especially if our or our vendors’ use of these technologies with respect to our products, services, systems and / or operations becomes more important to us over time. Emerging ethical issues surround the use of AI or generative AI, and if our use of AI or generative AI becomes controversial, we may be subject to reputational risk. Any sensitive information (including confidential, competitive, proprietary or personal data) input into third- party generative AI processes in connection with our offerings, systems or operations could be leaked or disclosed to others, including if sensitive information is used to train any generative AI models. Additionally, where the product ingests personal data and makes connections using such data, these AI or generative AI processes may reveal other personal or sensitive information generated by the AI solution. Unauthorized use or misuse of generative AI by our personnel or others may also result in disclosure of confidential or proprietary data, reputational harm, privacy or data protection law violations and legal liability. AI use could result in biased results and could lead us to make decisions that may bias certain individuals or classes of individuals, and adversely impact their rights, employment, and ability to obtain certain pricing, products, services or benefits. In addition, our use of generative AI may also lead to novel cybersecurity risks (such as if a bad actor “ poisons ” the generative AI with bad inputs or logic), including the misuse of personal or business confidential data, which may adversely affect our operations and reputation. Uncertainty in the legal regulatory regime relating to AI may require significant resources to modify and maintain business practices to comply with U. S. and foreign laws, the nature of which cannot be determined at this time. Several jurisdictions around the globe, including Europe and certain U. S. states, have already proposed or enacted laws governing AI. For example, European regulators have proposed a stringent AI regulation with fines in excess of those under the GDPR, and we expect other jurisdictions will adopt similar laws. Other jurisdictions may also decide to adopt similar or more restrictive legislation that may render the use of such technologies challenging. Additionally, certain privacy laws extend rights to consumers (like the right to delete certain personal data) and regulate automated decision making, which may be incompatible with AI features or the use of generative AI. These obligations may make it harder for us to conduct our business using AI, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI, or prevent or limit our use of AI. For example, the U. S. Federal Trade Commission has required other companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI where they allege the company has violated privacy and consumer protection laws. If we cannot use AI or that use is restricted, our business may be less efficient or we may be at a competitive disadvantage. Additionally, issues relating to intellectual property rights in AI- generated content have not been fully addressed by U. S. courts or other federal or state laws or regulations, and the use or adoption of ~~third parties-~~ **party AI technologies into our products and services may result in exposure to claims related to copyright infringement or other intellectual property misappropriation**. Changes to consumer privacy laws could adversely affect our ability to market our offerings effectively and may require us to change our business practices or expend significant amounts on compliance with such laws. We rely on a variety of direct marketing techniques, including email marketing, online advertising and direct mailings. Any further restrictions in laws such as the CAN- SPAM Act, the Telephone Consumer Protection Act, the Do- Not- Call- Implementation**

Act, applicable Federal Communications Commission telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the FTC Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Canada's Anti-Spam Law and various U. S. state laws, or new **U. S.** federal ~~or~~, state **or foreign** laws and regulations (including gaming laws and regulations) on marketing and solicitation or international privacy, e-privacy, and anti-spam laws that govern these activities could adversely affect the continuing effectiveness of email, online advertising and direct mailing techniques and could force further changes in our marketing strategy. In particular, these laws may require us to make disclosures regarding our privacy and information sharing practices, safeguard and protect the privacy of such information, and in some cases, provide customers the opportunity to "opt out" of the use of their information for certain purposes, any of which could limit our ability to leverage existing and future databases of information or require us to develop alternative marketing strategies, any of which could have a material adverse effect on our financial condition, results of operations, and cash flows. We must comply with U. S. federal, state ~~and~~ foreign requirements regarding notice and consent to obtain, use, share, transmit and store certain personal information. Furthermore, we may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that we are not able to reconcile such obligations, we may be required to change business practices or face liability or sanction. Our technology transformation strategy places a significant strain on our management, operational, financial and other limited resources. As part of our technology transformation strategy, we are continuously trying to transition and migrate our data systems from traditional data centers to cloud-based platforms and technologies optimized for cloud usage. This initiative places significant strain on our management, personnel, operations, systems, technical performance ~~and~~, financial resources and internal financial control and reporting function. In addition, many of our existing personnel do not have experience with native cloud-based technologies and as a result, we have ~~and~~ **will intend to** continue to hire personnel with such experience. This effort is time consuming and costly. Our technology transformation strategy requires management time and resources to educate employees and implement new ways of conducting business. The dedication of resources to our technology transformation strategy and cloud-based technologies limits ~~the our~~ resources ~~we have~~ available to devote to other initiatives or growth opportunities, or to invest in **maintaining** the maintenance of our existing internal systems. We cannot guarantee that our strategy is the right one or that investments in alternative technologies or other initiatives would not be a better use of our limited resources.

Risks Related to our Third-Party Vendor Relationships We rely on third-party cloud infrastructure, hosting and data center providers and server rooms hosted by certain of our land-based casino partners. Disruption or interference with this infrastructure or server rooms could adversely affect our business, financial condition, results of operations and prospects. We host our online gaming platform and offerings using third-party public and on-premise private cloud infrastructure and hosting services and on-premise server rooms hosted by certain of our land-based casino partners. We do not have full control over the operations of the infrastructure of these third parties that we use or anticipate using such as cloud-hosting providers (i. e., Amazon Web Services and Google Cloud) and on-premise hosting, data centers and related service providers or the facilities (including the server rooms) of our casino partners. Such infrastructure and facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. We have experienced and expect in the future to experience, interruptions, delays and outages in service and availability from these providers on account of, among other things, infrastructure changes, human or software errors, website hosting disruptions, **power supply issues like a recent event in the State of New York,** and capacity constraints. Any such interruptions, delays or outages that result in sustained or repeated system failures with respect to our platform could reduce the attractiveness of our offerings. Any capacity constraints may also impact our ability to maintain performance of our offerings. Should our agreements with any third-party cloud service provider terminate or we add new cloud infrastructure service providers, we may experience additional costs and platform performance downtime in adding or transitioning to new or additional providers. These impacts (and any associated negative publicity regarding them) may harm our brands or reduce customers ~~using~~ **use of** our platform, which may negatively impact our business, financial condition, results of operations and prospects. We rely on third-party providers to validate the identity and location of our customers, and if such providers fail to perform adequately or provide accurate information or we do not maintain business relationships with them, our business, financial condition, results of operations and prospects could be adversely affected. We rely on third-party geolocation and identity verification systems and service providers to ensure that we comply with certain laws and regulations, and any disruption to those systems may prohibit us from operating our platform and would adversely affect our business. There is no guarantee that these third-party systems or service providers will perform adequately or will be effective. Additionally, incorrect or misleading geolocation and identity verification data with respect to current or potential customers received from third-party providers may result in us inadvertently allowing access to our offerings to individuals who should not be permitted to access them ~~or otherwise~~ inadvertently deny access to individuals who should be able to access them. ~~Our third-Third-~~ party geolocation services ~~provider~~ **providers** ~~relies generally~~ **rely** on ~~its~~ **their** ability to obtain information necessary to determine geolocation from mobile devices, operating systems and other sources. Changes, disruptions or temporary or permanent failure to access such sources by our third-party providers may result in their inability to accurately determine our customers' locations. Moreover, our inability to maintain our existing contracts with third-party providers, or to replace them with equivalent third parties, may result in our inability to access geolocation and identity verification data necessary for our operations. If any of these risks materialize, we may be subject to disciplinary action, fines and lawsuits, and our business, financial condition, results of operations and prospects could be adversely affected. Our platform contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to provide our offerings. Our platform contains software components licensed to us by third-party authors under "open source" licenses ("Open-Source Software"). Using and distributing Open-Source Software may entail greater risks than using third-party commercial software as licensors of Open-Source Software generally do not provide support, warranties, indemnification or other contractual protections. In addition, using Open-Source Software may

make it easier for others to compromise our platform or offerings. Some Open- Source Software licenses require us to make available source code for modifications or derivative works we create or grant other licenses to our intellectual property if we use such Open- Source Software in certain ways. If we combine our proprietary software with Open- Source Software in a certain manner, we could, under certain Open- Source Software licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re- engineer some or all of our proprietary software. The terms of many Open- Source Software licenses have not been interpreted by U. S. or foreign courts, and these licenses could be interpreted to impose unanticipated conditions or restrictions on our ability to provide or distribute our platform or offerings. From time to time, there have been claims challenging the ownership of Open- Source Software against companies that incorporate ~~it Open- Source Software~~ into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be Open- Source Software. Moreover, we cannot assure you that our processes for controlling Open- Source Software use in our platform and offerings will be effective. If we are held to have breached or failed to comply with the terms of an Open- Source Software license **or if an Open- Source Software license ceases to be open source**, we could face infringement or other liability, or be required to seek costly licenses to continue providing our platform and offerings on terms that are not economically feasible, to re- engineer our platform, to discontinue or delay the provision of our offerings if re- engineering cannot be accomplished on a timely basis or to make generally available, in source code form, our proprietary software, any of which could adversely affect our business, financial condition, results of operations and prospects. We rely on third- party payment processors to process customer deposits and withdrawals made on our platform, and if we cannot manage our relationships with such third parties and other payment- related risks, our business, financial condition, results of operations and prospects could be adversely affected. We rely on third- party payment processors to process customer payments on our platform. If a payment processor terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we may need to find an alternate payment processor, and may be unable to secure similar terms or replace such payment processor in a reasonable time frame. Further, the software and services provided by our payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these could cause us to be unable to accept payment transactions or make timely payments to customers, any of which could make our platform less trustworthy and convenient, and adversely affect our ability to attract and retain customers. Nearly all payments on our platform are made by credit card, debit card or through other third- party payment services, which subjects us to certain regulations and to the risk of fraud. We may in the future offer new payment options to customers that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from our customers, including with respect to money laundering, money transfers, privacy and information security. If we fail to comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines and / or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our offerings less convenient and attractive to our customers. If any of these events were to occur, our business, financial condition, results of operations and prospects could be adversely affected. If we are deemed to be a money transmitter as defined by applicable regulations, we could be subject to certain laws, rules and regulations enforced by multiple U. S., state, local and foreign authorities and governing bodies that may define money transmitter differently. Certain jurisdictions may have a more expansive view of who qualifies as a money transmitter. We could also be subject to additional international laws, rules and regulations related to payments and financial services, and if we expand into new jurisdictions, the foreign regulations and regulators to which we are subject will expand as well. If we are found to be a money transmitter and we are not complying with the applicable regulations, we may be subject to fines or other penalties in one or more jurisdictions levied by foreign or U. S. federal, state or local regulators, including state Attorneys General. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, asset forfeitures or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Certain of our payment processors require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret existing rules in ways that might prohibit us from providing certain offerings to some customers, or be costly to implement or difficult to follow. We have agreed to reimburse our payment processors for fines they are assessed by payment card networks if we or customers on our platform violate or do not comply with these rules. Any of the foregoing risks could adversely affect our business, financial condition, results of operations and prospects. We rely on third- party service and content providers (including risk management, trading, sports data, streaming and game providers) and if such third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition, results of operations and prospects could be adversely affected. Our success depends in part on our relationships with third- party service providers. For example, we receive sports betting odds and streaming data, **and certain** risk management and trading services from third parties, and in some jurisdictions we are required to obtain official league data. We also rely on third parties for content delivery (such as online slots, **table games**, and live dealer games), load balancing and certain cybersecurity protections such as against distributed denial- of- service attacks. If those providers do not perform adequately, our customers may experience issues or interruptions with our offerings, and gaming regulators may hold us responsible for those providers' errors. Further, if any of our service or data providers terminate their relationship with us or refuse to renew their agreement with us on commercially reasonable terms, we may need to find alternate providers, and as consolidation in the gaming and entertainment industries continues, if a competitor acquires any of our third- party providers, we may need to find an alternate provider **(which in some cases may be difficult due to the limited number of providers for certain services such as geolocation)**, and in each case we may be unable to secure similar terms or replace such providers in an acceptable timeframe.

We also rely on other third- party software and services such as communications and internal software, and our business may be adversely affected if such software and services do not meet our expectations, contain errors or vulnerabilities, are compromised or experience outages. Any of these could increase our costs and adversely affect our business, financial condition, results of operations and prospects. Further, any negative publicity involving any of our third- party providers, including related to regulatory concerns or allegations of bad or unethical actions, could adversely affect our reputation and brand, result in us severing our relationship with such provider and could potentially lead to increased regulatory or litigation exposure. We incorporate technology from third- party vendors into our platform. While we **have a vendor management policy and process, which may include perform performing due diligence and / or seek risks assessments, as well potentially seeking** contractual and other protections from these vendors, our vendors may infringe the intellectual property rights of others or lack sufficient rights to such technology in all jurisdictions in which we may operate. Some of our third- party license and services agreements allow the vendor to terminate for convenience. If we are unable to obtain or maintain rights to any of this technology because of third- party intellectual property infringement claims against our vendors or us, if our vendors terminate any license or services agreements, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop and maintain our platform or offerings containing that technology could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time, effort and skillsets that we currently do not have, and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed, we may be unable to offer certain functionality as part of our offerings, which could adversely affect our business, financial condition, results of operations and prospects. If Internet or other technology- based service providers experience service interruptions, our ability to conduct our business may be impaired and our business, financial condition, results of operations and prospects could be adversely affected. A substantial portion of our network infrastructure is provided by third parties, including Internet service providers and other technology- based service providers. We use technology- based service providers such as CloudFlare to mitigate cybersecurity risks such as distributed denial- of- service attacks. If our service providers experience service interruptions, including because of cyber -attacks or due to an event causing an unusually high volume of Internet use (such as a pandemic or public health emergency), communications over the Internet may be interrupted and impair our ability to conduct our business. Internet service providers and other technology- based service providers may in the future roll out upgraded or new mobile or other telecommunications services, such as 6G services, which may not be successful and thus may impact our customers' ability to access our platform or offerings in a reasonable fashion or at all. In addition, our ability to process e-commerce transactions depends on bank processing and credit card systems. To prepare for system problems, we continuously seek to strengthen and enhance our facilities, system infrastructure and support capabilities. Nevertheless, we cannot guarantee that the Internet infrastructure or our own network systems will continue to be able to meet the demand placed on us by the continued growth of the Internet, the overall online gaming industry and our customers. Any difficulties these providers face, including certain network traffic potentially receiving priority over other traffic (i. e., lack of net neutrality), may adversely affect our business. In addition, we exercise little control over these providers, which increases our vulnerability to problems with the services they provide. Any system failure as a result of reliance on third parties, such as network, software or hardware failure, including as a result of cyber- attacks, which causes a loss of our customers' property or personal information or a delay or interruption in our online services or offerings, including our ability to handle existing or increased traffic, could result in a loss of anticipated revenue, interruptions to our platform and offerings, cause us to incur significant legal, remediation and notification costs, degrade the customer experience and cause our customers to lose confidence in our offerings, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Our growth will depend, in part, on the success of our strategic third- party relationships. Overreliance on certain third parties or our inability to extend existing relationships or agree to new relationships may cause unanticipated costs for us and impact our future financial performance. We rely, and expect to continue to rely, on relationships with casinos, tribes and other third parties to attract customers to our offerings. These relationships, along with our use of providers of online services, search engines, social media, directories, affiliate networks and other websites and e- commerce businesses, direct individuals to our offerings. While we believe there are other third parties that could drive individuals to our offerings, adding or switching to them may disrupt our business and increase our costs. If any of our existing or future relationships fail to provide services to us in accordance with the terms of our applicable arrangement, or at all, and we are unable to find suitable alternatives, this could impact our ability to cost- effectively attract customers and harm our business, financial condition, results of operations and prospects. Risks Related to Our Arrangements with Affiliates Neil G. Bluhm and Richard Schwartz and their respective trusts and entities controlled by them (collectively, the "Controlling Holders ") together as a group control a majority of the voting power of our outstanding common stock. As a result, we are a " controlled company " under the NYSE' s corporate governance standards. Under these rules, a company of which more than 50 % of the voting power for the election of directors is held by an individual, group or another company is a " controlled company " and may elect not to comply with certain corporate governance requirements, including: • having a majority of our Board consist of independent directors; • having a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; • having a compensation committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • conducting an annual performance evaluation of the nominating and corporate governance and compensation committees. We currently, and intend to continue to, use these exemptions. As a result, we may not have a majority of independent directors on our Board, our compensation and our nominating and corporate governance committees may not consist entirely of independent directors and our compensation and nominating and corporate governance committees may not be subject to annual performance evaluations. Accordingly, you will not have the same

protections afforded to stockholders of companies that are subject to all the NYSE corporate governance requirements. Furthermore, the Controlling Holders have entered into a voting agreement where they agree to vote together on certain matters presented to the Company's stockholders as long as the voting agreement is in effect, which may have the effect of extending the period in which we are a "controlled company" and our utilizing the exemptions discussed above. The Controlling Holders control us, and their interests may conflict with ours or yours in the future. The Controlling Holders together own more than 50% of our common stock and have entered into a voting agreement where they agree to vote together on certain matters presented to our stockholders. ~~Thus, based~~ **Based** on their combined voting power, the Controlling Holders together will control the vote of nearly all matters submitted to a vote of our stockholders, which will enable them to control the election of our Board members and nearly all other corporate decisions. Even when the Controlling Holders cease to own shares of our stock representing a majority of the total voting power, as long as they continue to own a significant percentage of our stock, they may still be able to significantly influence the composition of our Board and the approval of actions requiring stockholder approval. Accordingly, for such period of time, the Controlling Holders will have significant influence with respect to our management, business plans and policies, including electing directors, appointing and removing our officers, deciding whether to raise capital and amending our Charter and bylaws, which govern the rights attached to our common stock. In particular, as long as the Controlling Holders continue to own a significant percentage of our stock, they may cause or prevent a change of control of the Company or a change in the Board's composition and could preclude any unsolicited acquisition of the Company. The concentration of ownership could deprive you of an opportunity to receive a premium for your securities as part of a sale of the Company and ultimately might affect the market price of our securities. The Company entered into an Investor Rights Agreement (the "Investor Rights Agreement"), pursuant to which, as long as the Company is a "controlled company" under applicable NYSE rules, Rush Street Interactive GP, LLC, in its capacity as the Sellers' Representative of the Controlling Holders and the other Sellers under the Business Combination Agreement (in such capacity, the "Sellers' Representative") and dMY Sponsor, LLC (the "Sponsor") will have the right to nominate up to nine (or the maximum number that may be nominated by the Sellers' Representative without violating the NYSE's controlled company requirements) and up to two directors, respectively, to the Board, subject to certain independence and holdings requirements. In the event the Company is no longer a "controlled company" under the applicable NYSE rules, the Sponsor will have the right to nominate up to two directors and the Sellers' Representative will have the right to nominate a number of directors equal to the greater of the number of directors permitted by NYSE or a number equal to the total number of directors multiplied by the percentage of the Company's issued and outstanding voting securities held by the Sellers and their permitted transferees at such time, in each case subject to certain independence and holdings requirements. As of the date of this Annual Report, the Sponsor has the right to designate **only** one director. Mr. Bluhm, one of the Controlling Holders, and his affiliates engage in a broad array of activities, including investing in the gaming and casino industries generally. In the ordinary course of their business activities, Mr. Bluhm and his affiliates may engage in activities such as investing in or advising businesses that directly or indirectly compete with certain portions of our business or are our suppliers, partners or customers. Our Charter provides that none of the Controlling Holders, their affiliates or affiliated entities or any director who is not employed by us or its affiliates will have any duty to refrain from engaging, directly or indirectly, in the same or similar business activities or lines of business in which we operate. The Controlling Holders also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, the Controlling Holders may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks to you. We have arrangements with our affiliates that impact our operations. We have engaged, and may in the future engage, in transactions with affiliates and other related parties, including, for example, entering into agreements with the "Rivers" branded casinos located in Pennsylvania, Illinois, New York and Virginia, to operate retail and online sports betting and / or online casino on behalf of such casinos as and when those activities are legalized in each respective jurisdiction. We have also entered into a services agreement with RSG, under which RSG and its affiliates provide certain **limited** corporate and shared services related to functions such as government affairs, business development, insurance and other services, and entered into license agreements with affiliated entities, pursuant to which we license the BetRivers and PlaySugarHouse brands. See "We depend on RSG and certain of its affiliates to provide us with certain **limited** services, which may not be sufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services to the extent that our services agreement with RSG terminates or expires". While we strive to obtain services from affiliates and other related parties at rates and on terms at least as favorable as we would get from others, if that were not to be achieved in the future it could negatively impact our operations. ~~Both~~ Mr. Bluhm, our Executive Chairman and a significant stockholder, **has** and Gregory A. Carlin, a significant stockholder and former CEO and vice chairman, have an indirect ownership interest in certain of our related parties, including RSG and **the "Rivers" branded casinos, and Gregory A. Carlin, a significant stockholder and former CEO and vice chairman, also has an indirect ownership interest in certain of our related parties, including** the "Rivers" branded casinos. See "Certain Relationships and Related Transactions, and Director Independence". One or both of our Controlling Holders may economically benefit from our arrangements with related parties. If we engage in related party transactions on unfavorable terms, our operating results may be negatively impacted. Risks Related to our Liquidity and Capital Resources We may require additional capital to support our growth plans, and such capital may not be available on terms acceptable to us, if at all. This could hamper our growth and adversely affect our business. We have made, and intend to continue to make, significant investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new offerings and features, enhance our existing platform, improve our operating infrastructure or acquire complementary businesses, personnel or technologies. To secure any such additional funds, we may need to engage in equity or debt financings. Our ability to obtain additional capital, if and when required, will depend on our business plans, investor demand, our operating performance, capital markets conditions

and other factors. If we raise additional funds by issuing equity, equity-linked or debt securities, such as preferred stock as authorized by our Charter, those securities may have rights, preferences or privileges senior to the rights of our currently issued and outstanding equity, and our existing stockholders may experience dilution. If we are unable to obtain additional capital when required, or on satisfactory terms, our ability to continue to support our business growth or to respond to business opportunities, challenges or unforeseen circumstances could be adversely affected, and our business, financial condition, results of operations and prospects may be harmed. We may invest in or acquire other businesses or enter into partnerships, and our business may suffer if we are unable to successfully integrate acquired businesses or otherwise manage the growth associated with such transactions. As part of our strategy, we have engaged and may continue to engage in transactions such as acquisitions, investments or partnerships as opportunities arise to add new or complementary businesses, products, brands or technologies. In some cases, the costs of such transactions may be substantial, including as a result of professional fees and due diligence efforts. There is no assurance that the time and resources expended on pursuing a particular transaction will result in a completed transaction, or that a completed transaction will ultimately be successful or provide a favorable return. In addition, we may be unable to identify suitable acquisition, investment or partnership opportunities or may be unable to obtain any required financing or regulatory approvals, and thus may be unable to complete such transactions on favorable terms, if at all. We may pursue transactions with which our investors may not agree. In addition, such transactions and the applicable integration thereof require significant time and resources and place significant demands on our management, as well as on our operational and financial infrastructure. If we fail to successfully close transactions or integrate the products, personnel and technologies associated with these transactions into our business, our business could be seriously harmed. Such transactions may expose us to operational challenges and risks, including:

- profitably managing acquired businesses, investments or partnerships or, if applicable, successfully integrating their operations, personnel, financial reporting, accounting and internal controls, technologies and products into our business;
- increased indebtedness and integration expenses, including significant administrative, operational, technological, economic, geographic or cultural challenges in managing and integrating the expanded or combined operations;
- entering into jurisdictions or acquiring products or technologies with which we have limited or no prior experience, and potential increased competition with new or existing competitors as a result of such transactions;
- diverting management's attention and the over-extending our operating infrastructure and management systems, information technology systems, and internal controls, which may be inadequate to support growth;
- funding our capital needs and any cash flow shortages that may occur if anticipated revenue is not realized or is delayed, whether by general economic or market conditions, or unforeseen internal difficulties;
- obtaining and / or maintaining relevant licenses, permits or approvals from applicable regulators; and
- retaining or hiring qualified personnel required for expanded operations.

Our acquisition strategy may fail if we are unable to remain attractive to target companies or expeditiously close transactions. Issuing shares of Class A Common Stock to fund a transaction would dilute existing stockholders. If we develop a reputation of being a difficult acquirer or having an unfavorable work environment, or target companies view our Class A Common Stock unfavorably, we may be unable to consummate key transactions essential to our corporate strategy and our business, financial condition, results of operations and prospects may be seriously harmed. In addition, there has been, and we expect there will be, significant competition within the gaming industry for acquisitions of businesses, technologies and assets. As such, even if we are able to identify an acquisition that we would like to pursue, the target may be acquired by another strategic buyer or we may otherwise not be able to complete the acquisition on commercially reasonable terms, or at all. Moreover, in addition to our failure to realize the anticipated benefits of any acquisition, including our revenues or return on investment assumptions, we may be exposed to unknown liabilities or impairment charges as a result of acquisitions we do complete.

Risks Related to our Securities, Corporate Structure, Governing Documents and Tax Receivable Agreement

If we raise capital in the future by issuing shares of common or preferred stock or other equity or equity-linked securities, convertible debt or other hybrid equity securities, existing stockholders may experience dilution, such new securities may have rights senior to those of our common stock, and the market price of our securities may be adversely affected. If we raise capital in the future then existing stockholders may experience dilution. Our Charter provides that preferred stock may be issued from time to time in one or more series, and the Board is authorized to fix the voting rights, if any, designations, powers, preferences and relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. The Board may, without stockholder approval, issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of our common stock and could have anti-takeover effects. The Board's ability to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of us or the removal of existing management. The issuance of any such securities may adversely affect the market price of our securities. Our principal asset is our interests in RSILP (held through our wholly owned subsidiaries), and accordingly we depend on distributions from RSILP to pay taxes and expenses. We are a holding company and have no material assets other than our indirect ownership of RSILP. We are not expected to have independent means of generating revenue or cash flow, and our ability to pay taxes, operating expenses and dividends in the future, if any, will depend on RSILP's financial results and cash flows. We cannot guarantee that RSILP will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants under any debt instruments will permit such distributions. If RSILP does not distribute sufficient funds to us to pay our taxes or other liabilities, we may default on our obligations or have to borrow additional funds. If we are required to borrow additional funds it could adversely affect our liquidity and subject us to additional restrictions imposed by lenders. RSILP is a partnership for U. S. federal income tax purposes and, as such, generally will not be subject to any entity-level U. S. federal income tax. Instead, taxable income will be allocated for U. S. federal income tax purposes to the holders of RSILP Units, including RSI ASLP, Inc. (the "Special Limited Partner"), which is part of our consolidated group for U. S. federal income tax purposes. Accordingly, we will be required to pay U. S. federal income taxes on the Special Limited Partner's allocable share of RSILP's net taxable income. The Second Amended and Restated Limited Partnership Agreement of RSILP, dated as of

December 29, 2020 (the “RSILP A & R LPA”), requires RSILP to make tax distributions to holders of RSILP Units (including the Special Limited Partner) calculated at certain assumed rates. In addition to tax expenses, we and the Special Limited Partner will also incur expenses related to the Special Limited Partner’s operations, including its payment obligations under the TRA, which could be significant and some of which RSILP will reimburse (excluding payment obligations under the TRA). The Special Limited Partner intends to cause RSILP to make ordinary distributions and tax distributions to the holders of RSILP Units on a pro rata basis in amounts sufficient to cover all applicable taxes, relevant operating expenses, payments under the TRA and dividends, if any, declared by us. However, as noted below, RSILP’s ability to make such distributions may be subject to various limitations and restrictions, including, but not limited to, retention of amounts necessary to satisfy the obligations of RSILP and its subsidiaries and restrictions on distributions that would violate any applicable law or restrictions contained in RSILP’s debt agreements (if any), or that would have the effect of rendering RSILP insolvent. If the Special Limited Partner is unable to make payments under the TRA for any reason, such payments will be deferred and accrue interest until paid, provided, however, that nonpayment for a specified period and / or under certain circumstances may constitute a material breach of a material obligation under the TRA and therefore accelerate payments under the TRA, which could be substantial. Additionally, although RSILP generally will not be subject to any entity-level U. S. federal income tax, it may be liable under recent federal tax legislation for adjustments to its tax return, absent an election to the contrary. If RSILP’s taxable income calculations are incorrect, RSILP and / or its partners, including the Special Limited Partner, in later years may be subject to material liabilities pursuant to this federal legislation and its related guidance. We anticipate that the distributions the Special Limited Partner will receive from RSILP may, in certain periods, exceed our and the Special Limited Partner’s actual liabilities and the Special Limited Partner’s obligations to make payments under the TRA. The Board, in its sole discretion, will make any determination from time to time with respect to the use of any such excess cash so accumulated, which may include, among other uses, to pay dividends on our Class A Common Stock. We will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. If necessary, we may undertake ameliorative actions, which may include pro rata or non-pro rata reclassifications, combinations, subdivisions or adjustments of outstanding RSILP Units, to maintain one-for-one parity between RSILP Units held by the Special Limited Partner and shares of Class A Common Stock. Dividends on our Class A Common Stock, if any, will be paid at the discretion of the Board, which will consider, among other things, our available cash, available borrowings and other funds legally available therefor, taking into account the retention of any amounts necessary to satisfy our obligations that RSILP will not reimburse, including taxes and amounts payable under the TRA and restrictions in financing agreements (if any). Financing arrangements may include restrictive covenants limiting our ability to pay dividends or make other distributions to our stockholders. In addition, RSILP is generally prohibited under Delaware law from making distributions to partners to the extent that, at the time of the distribution, after giving effect to the distribution, RSILP’s liabilities (with certain exceptions) exceed the fair value of its assets. RSILP’s subsidiaries are generally subject to similar legal limitations on their ability to make distributions to RSILP. If RSILP does not have sufficient funds to make distributions, our ability to declare and pay cash dividends may also be restricted or impaired. The TRA requires the Special Limited Partner to pay to the Sellers and / or the exchanging holders of RSILP Units, as applicable, 85 % of the net income tax savings that we and our consolidated subsidiaries (including the Special Limited Partner) realize as a result of increases in tax basis in RSILP’s assets related to the transactions contemplated under the Business Combination Agreement and the future exchange of the Retained RSILP Units for shares of Class A Common Stock (or cash) pursuant to the RSILP A & R LPA and tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA, and those payments may be substantial. The Sellers may ~~in the future~~ exchange their RSILP Units, together with the cancellation of an equal number of shares of Class V Voting Stock, for shares of Class A Common Stock (or cash) pursuant to the RSILP A & R LPA, subject to certain conditions and transfer restrictions as set forth therein and in the Investor Rights Agreement. These exchanges are expected to result in increases in the Special Limited Partner’s allocable share of the tax basis of RSILP’s tangible and intangible assets. These increases in tax basis may increase (for income tax purposes) depreciation and amortization deductions and therefore reduce the amount of income or franchise tax that we and the Special Limited Partner would otherwise be required to pay in the future had such exchanges never occurred. In connection with the Business Combination, the Special Limited Partner entered into the TRA, which generally provides that it pay an amount equal to 85 % of certain net tax benefits, if any, that we and our consolidated subsidiaries (including the Special Limited Partner) realize (or in certain cases is deemed to realize) as a result of these increases in tax basis and tax benefits related to the transactions contemplated by the Business Combination Agreement and the exchange of Retained RSILP Units for Class A Common Stock (or cash) pursuant to the RSILP A & R LPA and tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. These payments are the Special Limited Partner’s obligation, not RSILP’s. The actual increase in the Special Limited Partner’s allocable share of RSILP’s tax basis in its assets, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges, our Class A Common Stock’s market price at the time of the exchange and the amount and timing of the recognition of our and our consolidated subsidiaries’ (including the Special Limited Partner’s) income. While many of the factors that will determine the amount of payments that the Special Limited Partner will make under the TRA are outside of our control, we expect that the payments the Special Limited Partner will make under the TRA will be substantial and could have a material adverse effect on our financial condition. Any payments made by the Special Limited Partner under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us. Furthermore, the Special Limited Partner’s future obligation to make payments under the TRA could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that may be deemed realized under the TRA. In certain cases, payments under the TRA may exceed the actual tax benefits we and our consolidated subsidiaries (including the Special Limited Partner) realize or be accelerated. Payments under the TRA are based on the tax reporting positions that we and our consolidated subsidiaries

(including the Special Limited Partner) determine. The Internal Revenue Service (“ IRS ”) or another taxing authority may challenge all or part of the tax basis increases, as well as other tax positions that we and our consolidated subsidiaries (including the Special Limited Partner) take, and a court may sustain such a challenge. If any tax benefits initially claimed by us or our consolidated subsidiaries (including the Special Limited Partner) are disallowed, the Sellers and the exchanging holders will not be required to reimburse the Special Limited Partner for any excess payments that may previously have been made under the TRA, for example, due to adjustments resulting from examinations by taxing authorities. Rather, excess payments made to such holders will be applied against and reduce any future cash payments otherwise required to be made by the Special Limited Partner, if any, after the determination of such excess. However, a challenge to any tax benefits initially claimed by us and our consolidated subsidiaries (including the Special Limited Partner) may not arise for a number of years following the initial time of such payment and, even if challenged earlier, such excess cash payment may be greater than the amount of future cash payments that we and our consolidated subsidiaries (including the Special Limited Partner) might otherwise be required to make under the TRA and, as a result, there might not be future cash payments against which such excess can be applied. As a result, in certain circumstances the Special Limited Partner could make payments under the TRA in excess of our and our consolidated subsidiaries’ (including the Special Limited Partner’ s) actual income or franchise tax savings, which could materially impair our and our consolidated subsidiaries’ (including the Special Limited Partner’ s) financial condition. Moreover, the TRA provides that, in the event that (i) the Special Limited Partner exercises its early termination rights thereunder, (ii) certain changes of control of us, the Special Limited Partner or RSILP occur (as described in the RSILP A & R LPA), (iii) the Special Limited Partner in certain circumstances, fails to make a payment required under the TRA by its due date, which failure continues for 30 days following such date or (iv) we or the Special Limited Partner materially breach any of our material obligations under the TRA other than as described in the foregoing clause (iii), which breach continues without cure for 30 days following receipt of written notice thereof and written notice of acceleration is received by us and / or the Special Limited Partner thereafter (except if the TRA is rejected in a case commenced under bankruptcy laws, no acceleration notice is required), in the case of clauses (iii) and (iv), unless certain liquidity exceptions apply, the Special Limited Partner’ s obligations under the TRA will accelerate and the Special Limited Partner will be required to make a lump- sum cash payment to the Sellers and / or other applicable parties to the TRA equal to the present value of all forecasted future payments that would have otherwise been made under the TRA, which payment would be based on certain assumptions, including those relating to our and our consolidated subsidiaries’ (including the Special Limited Partner’ s) future taxable income. The lump- sum payment could be substantial and could exceed the actual tax benefits that we and our consolidated subsidiaries (including the Special Limited Partner) realize subsequent to such payment because it would be calculated assuming, among other things, that we and our consolidated subsidiaries (including the Special Limited Partner) would have certain assumed tax benefits available to us and that we and our consolidated subsidiaries (including the Special Limited Partner) would be able to use the assumed and potential tax benefits in future years. There may be a material negative effect on our liquidity if the payments under the TRA exceed the actual income or franchise tax savings that we and our consolidated subsidiaries (including the Special Limited Partner) realize. Furthermore, the Special Limited Partner’ s obligations to make payments under the TRA could also delay, defer or prevent certain mergers, asset sales, other forms of business combinations or other changes of control. **If the benefits of the Business Combination do not meet the expectations of investors or our securities analysts, the trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, and** the market price of our securities may decline. Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. **Prior to the Business Combination, there was no public market for RSILP’ s securities and trading in shares of our Class A Common Stock was not very active. Accordingly, the valuation ascribed to the Company in the Business Combination may not be indicative of the price that will ultimately prevail in the trading market and, even** **Even** if an active market for our securities develops and / or continues, the trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include: • success of our competitors, and actual or anticipated fluctuations in our financial results or those of companies perceived to be similar to us; • changes in the market’ s expectations about our operating results, changes in securities analysts’ financial estimates and recommendations concerning us or the industries in which we operate in general, or our operating results failing to meet the expectation of securities analysts or investors in a particular period; • lack of adjacent competitors; • operating and stock price performance of other companies that investors deem comparable to us; • our ability to market new and enhanced products on a timely basis; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation involving us; • changes in our capital structure, such as future issuances of securities or the incurrence of debt; • the volume of shares of our Class A Common Stock available for public sale; • any major change in our Board or management; • sales of substantial amounts of Class A Common Stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and • general economic and political conditions such as recessions, interest rates, currency fluctuations, pandemics and acts of war or terrorism. Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The NYSE and the stock market in general have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies that investors perceive to be similar to us could depress the price of our securities regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect its ability to issue additional securities and its ability to obtain additional financing in the future. There can be no assurance that we will be able to comply with the NYSE’ s continued

listing standards. Our continued eligibility for listing on the NYSE depends on a number of factors. If the NYSE delists our Class A Common Stock from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including: (i) a limited availability of market quotations for our securities; (ii) a determination that our Class A Common Stock is a “ penny stock, ” which will require brokers trading in our Class A Common Stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our Class A Common Stock; (iii) a limited amount of analyst coverage; and (iv) a decreased ability to issue additional securities or obtain additional financing in the future. Our Charter’s exclusive forum provision may have the effect of discouraging lawsuits against our directors and officers. Unless we consent in writing to the selection of an alternative forum, our Charter requires that any (i) derivative action or proceeding brought on our behalf, (ii) action asserting a breach of a fiduciary duty owed by any director, officer, employee or stockholder to us or to our stockholders, (iii) action asserting a claim against us, our directors, officers, employees or stockholders arising pursuant to the Delaware General Corporation Law, our Charter or our bylaws, or (iv) action asserting a claim against us, our directors, officers, employees or stockholders governed by the internal affairs doctrine under Delaware law shall be brought, to the fullest extent permitted by law, solely and exclusively in the Delaware Court of Chancery; provided, however, that, if the Delaware Court of Chancery lacks subject matter jurisdiction over any such actions, our Charter provides that the sole and exclusive forum shall be another state or federal court located within Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant. Our Charter also requires, unless we consent in writing to the selection of an alternative forum, that the U. S. federal district courts shall, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. This provision in our Charter does not address or apply to claims arising under the Exchange Act; however, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. While we believe this provision benefits us by providing increased consistency in the application of law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors, officers, employees or stockholders. Provisions in our Charter may inhibit a takeover of the Company, which could limit the price investors might be willing to pay in the future for securities and could entrench management. Our Charter contains provisions that may discourage unsolicited takeover proposals that stockholders may deem to be in their best interests. These provisions include a staggered board, the controlling provisions of the Investor Rights Agreement, a supermajority vote required to amend certain Charter provisions and the Board’s ability to designate the terms, and issue new series, of preferred stock, which may make removing management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. General Risk Factors Economic downturns and political and market conditions beyond our control, including reduced consumer discretionary spending, **and adverse developments with respect to financial institutions and associated liquidity risk** could adversely affect our business, financial condition, results of operations and prospects. Our financial performance is subject to global and U. S. economic conditions and their impact on consumer spending. Economic recessions, high inflation and rising interest rates have had, and may continue to have, far reaching adverse consequences across many industries, including the global entertainment and gaming industries, which may adversely affect our business, financial condition, results of operations and prospects. Consumer discretionary spending and consumer preferences are driven by socioeconomic factors beyond our control, and our business is sensitive to reductions from time to time in consumer discretionary spending. Demand for entertainment and leisure activities, including gaming, can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond our control. Unfavorable changes in general economic conditions, including recessions, declines in consumer confidence in the economy, economic slowdowns, sustained high levels of unemployment or inflation, increased interest rates, and rising prices, in particular of food and energy, fears of war and acts of terrorism or perceived weak or weakening economic conditions, may reduce our customers’ disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as online casino and sports betting. As a result, we cannot ensure that demand for our offerings will remain constant. Adverse developments affecting economies throughout the world, including those noted above as well as a general tightening of credit availability, decreased liquidity in certain financial markets, foreign exchange fluctuations, transportation or supply chain disruptions, natural disasters or significant declines in stock markets, as well as concerns regarding pandemics or other health emergencies, could lead to reductions in discretionary spending on leisure activities such as online casino and sports betting. **Further, more recently, the closures of Silicon Valley Bank and Signature Bank and their placement into receivership with the Federal Deposit Insurance Corporation (“ FDIC ”) created bank- specific and broader financial institution liquidity risk and concerns. Although the Department of the Treasury, the Federal Reserve, and the FDIC jointly confirmed that depositors at SVB and Signature Bank would continue to have access to their funds, even those in excess of the standard FDIC insurance limits, under a systemic risk exception, future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market- wide liquidity shortages, impair the ability of companies to access near- term working capital needs, and create additional market and economic uncertainty. There can be no assurance that future credit and financial market instability and a deterioration in confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment or continued unpredictable and unstable market conditions. If the equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short- term liquidity risk and also make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms**

could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon our business plans.

We may be subject to litigation in the operation of our business, and an adverse outcome in one or more proceedings could adversely affect our business. As a growing company with expanding operations, we may from time to time increasingly face the risk of claims, lawsuits and other proceedings involving intellectual property, privacy, consumer protection, accessibility claims, securities, tax, labor and employment, regulatory and compliance, competition and antitrust, commercial disputes, services and other matters. Litigation to defend us against third-party claims or to enforce any rights that we may have against third parties may be necessary, which may result in substantial costs and divert resources and our management's attention, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any litigation to which we are a party may result in an onerous or unfavorable judgment that may not be reversed on appeal (if any), or in payments of substantial damages or fines, posting of bonds requiring significant collateral, letters of credit or similar instruments, or we may decide to settle lawsuits on unfavorable terms. These proceedings could also result in criminal sanctions, reputational harm, consent decrees or orders preventing us from offering certain products or requiring a change in our business practices in costly ways or requiring development of non-infringing or otherwise altered products or technologies. Litigation and other claims and regulatory proceedings against us could result in unexpected disciplinary actions, expenses and liabilities, which could have a material adverse effect on our business, financial condition, results of operations and prospects. We could be subject to future governmental investigations and inquiries, legal proceedings and enforcement actions. Any such investigation, inquiry, proceeding or action could adversely affect our business. From time to time, we receive formal and informal inquiries from government authorities and regulators, including gaming regulators and tax authorities, regarding compliance with laws and other matters, and we may receive such inquiries in the future, particularly as we grow and expand. Violation of existing or future regulations, regulatory orders or consent decrees could subject us to substantial monetary fines and other penalties that could adversely affect our business, financial condition, results of operations and prospects. Further, it is possible that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities could cause us to incur substantial costs, expose us to unanticipated liability or penalties, or require us to change our business practices in a manner materially adverse to our business, financial condition, results of operations and prospects. Our insurance may not provide adequate levels of coverage against claims. We intend to maintain insurance that we believe is customary for a business of our size and type. However, we may incur losses that cannot be insured against or that we believe are not economically reasonable to insure. Any loss incurred could exceed policy limits or be below our applicable deductible, and policy payments made to us may not be made on a timely basis. Such losses could adversely affect our business, financial condition, results of operations and prospects. We may have difficulty accessing the service of banks, credit card issuers and payment processing providers, which may make it difficult to provide our offerings. Although financial institutions, credit card issuers and payment processors are permitted to provide services to us and others in our industry, they may be hesitant to offer their services to real-money gaming businesses. Consequently, the businesses involved in our industry, including ourselves, may encounter difficulties in establishing and maintaining banking and payment processing relationships with a full scope of services and generating market rate interest, in particular in jurisdictions that are in the process of becoming regulated or are newly regulated. If we are unable to maintain our bank accounts or our customers are unable to use their credit cards, bank accounts or e-wallets to make deposits and withdrawals from our platform, it would make it difficult for us to operate our business, increase our operating costs and pose additional operational, logistical and security challenges, which could result in an inability to implement our business plan. Catastrophic events or geopolitical conditions may disrupt our business. Global pandemics, epidemics or other large-scale health emergencies may adversely affect our operations, financial condition and results of operations. The extent to which global pandemics or similar health emergencies may impact our business going forward will depend on factors such as the duration and scope of the pandemic or emergency; governmental, business and individuals' responses to the pandemic or emergency; and the impact on economic activity including the possibility of recession or financial market instability. Measures to contain a global pandemic or health emergency may intensify other risks described in these Risk Factors. Any of these measures may adversely impact our ability to: maintain our operations infrastructure; offer the full scope of our offerings, in particular if sporting events or seasons are disrupted; effectively scale and grow our technical infrastructure to accommodate increased demands, especially in light of supply chain issues and increased network and Internet usage; effectively manage our international operations through changes in trade practices and policies; and sustain our operational effectiveness and productivity. We may incur increased costs to effectively manage these aspects of our business. If we are unsuccessful it may adversely impact our revenues, cash flows, market share and reputation. A disruption or failure of our systems or operations because of a catastrophic event such as an earthquake, weather event, cyberattack, terrorist attack, pandemic or similar health emergency could cause downtime or degradation of our platform or offerings or in other critical functions provided by us or third parties. Abrupt political change, terrorist activity, and armed conflict **such as those ongoing in the Ukraine and the Middle East,** could cause economic disruptions, which may increase our operating costs and cause supply chain issues. Geopolitical change may cause changing regulatory regimes and requirements and market interventions that could impact our operating strategies, access to certain jurisdictions, hiring and profitability. Geopolitical instability may lead to sanctions or impact our ability to do business in some markets. Any of these changes may negatively impact our revenues. **56**