

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025, OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934
FOR THE TRANSITION PERIOD FROM _____ TO

Commission File Number **001-39232**



RUSH STREET INTERACTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

84-3626708

(I.R.S. Employer Identification No.)

**900 N. Michigan Avenue, Suite 950
Chicago, Illinois 60611**

(Address of principal executive offices) (Zip Code)

(773) 893-5855

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Exchange on Which Registered</u>
Class A common stock, \$0.0001 par value per share	RSI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the
Exchange Act. YES No

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting company Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of June 30, 2025, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the Class A common stock held by non-affiliates was \$1,376,213,662 based upon the closing sales price for the registrant’s Class A common stock of \$14.90 on June 30, 2025, as reported by the New York Stock Exchange. For the purpose of calculating the aggregate market value of shares held by non-affiliates, we have assumed that all outstanding shares are held by non-affiliates, except for shares beneficially owned by each of our executive officers, directors and 5% or greater stockholders. In the case of 5% or greater stockholders, we have not deemed such stockholders to be affiliates unless there are facts and circumstances indicating that such stockholders exercise any control over our company at that time. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

As of February 17, 2026, there were 103,175,028 shares outstanding of the registrant’s Class A common stock, \$0.0001 par value per share, and 129,176,197 shares outstanding of the registrant’s Class V common stock, \$0.0001 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Definitive Proxy Statement for our 2025 Annual Meeting of Stockholders, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, are incorporated by reference into Part III of this Form 10-K. Except with respect to information specifically incorporated by reference in this Annual Report, the Proxy Statement shall not be deemed to be filed as part hereof.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this “Annual Report”) contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 that reflect future plans, estimates, beliefs and expected performance. The forward-looking statements depend upon events, risks and uncertainties that may be outside of our control. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “propose,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. You are cautioned that our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control, and, consequently, our actual results may differ materially from those projected.

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

- competition in the online casino, online sports betting and retail sports betting (i.e., such as within a bricks-and-mortar casino) industries is intense, and as a result, we may fail to attract and retain customers or compete effectively, which may negatively impact our operations and growth prospects;
- 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 vendors to stop providing services to us;
- our business depends on strong branding, and if we are not able to maintain, develop, and enhance our brands, our business and operating results may be negatively impacted. Moreover, our brands and reputation could be harmed if we were to experience significant negative publicity;
- we rely on many different marketing channels to acquire and retain customers and to promote our brands and our products, and 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 business is subject to a variety of U.S. and foreign laws and regulations (including Colombia, Canada, Mexico and Peru, where we have business operations), many of which are unsettled and still developing, and our growth prospects depend on the legal status of real-money gaming in various jurisdictions;
- 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 growth prospects may suffer if we are unable to develop or maintain successful offerings, if we fail to pursue additional offerings or if we lose any of our key executives or other key employees;
- economic downturns and political and market conditions beyond our control, including a reduction in consumer discretionary spending and the effects of inflation and tariffs, could adversely affect our business, financial condition, results of operations and prospects;
- we rely on information technology and other systems and platforms (including reliance on third-party providers to validate the identity and location of our customers and to process deposits and withdrawals made by our customers), and any breach or disruption of such information technology could compromise our networks and the information stored there could be accessed, publicly disclosed, lost, corrupted or stolen;
- until fairly recently, we have had a history of losses (calculated in accordance with accounting principles generally accepted in the United States) and could start to incur losses again in the future;
- the timing, amount or duration of the Company’s stock repurchase program;
- our success in retaining or recruiting officers, key employees or directors;

- we license certain trademarks and domain names from Rush Street Gaming, LLC (“RSG”) and its affiliates, and RSG’s and its affiliates’ use of such trademarks and domain names, or failure to protect or enforce our intellectual property rights, could harm our business, financial condition, results of operations and prospects;
- we currently, and will likely continue to, rely on licenses and service agreements to use the intellectual property rights of related or third parties that are incorporated into or used in our products and services; and
- certain of our officers and directors may allocate their time to other businesses such as RSG and potentially have conflicts of interest with our business.

Due to the uncertain nature of these factors, management cannot assess the impact of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any of these statements to reflect events or circumstances occurring after the date of this Annual Report, except as required by applicable law. New factors may emerge, and it is not possible to predict all factors that may affect our business and prospects.

Limitations of Key Metrics and Other Data

The numbers for our key metrics, which include our monthly active users (“MAUs”) and average revenue per MAU (“ARPMU”), are calculated using internal company data based on the activity of user accounts. While these numbers are based on what we believe to be reasonable estimates of our user base and activity levels for the applicable period of measurement, there are inherent challenges in measuring usage of our offerings across large online and mobile populations based in numerous jurisdictions. In addition, we continuously seek to improve our estimates of our user base and user activity, and such estimates may change due to improvements or changes in our methodology.

We regularly evaluate these metrics to estimate the number of “duplicate” accounts among our MAUs and remove the effects of such duplicate accounts on our key metrics. A duplicate account is one that a user maintains in addition to his or her principal account. Generally, duplicate accounts arise as a result of users signing up to use more than one of our brands (i.e., BetRivers, PlaySugarHouse and RushBet) or to use our offerings in more than one jurisdiction, for instance when a user lives in New Jersey but works in New York. The estimates of duplicate accounts are based on an internal review of a limited sample of accounts, and we apply significant judgment in making this determination. For example, to identify duplicate accounts we use data signals such as similar IP addresses or usernames. Our estimates may change as our methodologies evolve, including through the application of new data signals or technologies, which may allow us to identify previously undetected duplicate accounts and may improve our ability to evaluate a broader population of our users. Duplicate accounts are very difficult to measure, and it is possible that the actual number of duplicate accounts may vary significantly from our estimates.

Our data limitations may affect our understanding of certain details of our business. We regularly review our processes for calculating these metrics, and from time to time we may discover inaccuracies in our metrics or make adjustments to improve their accuracy, including adjustments that may result in the recalculation of our historical metrics. We believe that any such inaccuracies or adjustments are immaterial unless otherwise stated. In addition, our key metrics and related information and estimates, including the definitions and calculations of the same, may differ from those published by third parties or from similarly titled metrics of our competitors due to differences in operations, offerings, methodology and access to information.

PART I

ITEM 1. BUSINESS

Unless the context requires otherwise, each of the terms the “Company,” “Rush Street Interactive,” “RSI,” “we,” “our,” “us” and similar terms used herein refer collectively to Rush Street Interactive, Inc., a Delaware corporation, and its consolidated subsidiaries.

Overview

We are a leading online gaming and entertainment company that focuses primarily on online casino and online sports betting in the U.S., Canadian and Latin American markets. Our mission is to engage and delight players by delivering friendly, fun and fair betting experiences. In furtherance of this mission, we strive to create an online community for our customers where we are transparent and honest, treat our customers fairly, show them that we value their time and loyalty, and listen to feedback. We also endeavor to implement industry leading responsible gaming practices and provide our customers with a cutting-edge online gaming platform and exciting, personalized offerings that will enhance their user experience.

We provide our customers with an array of leading gaming offerings such as real-money online casino, online sports betting and retail sports betting (i.e., sports betting services provided at bricks-and-mortar locations), as well as social gaming, which involves free-to-play games that use virtual credits that users can earn or purchase (where permitted). We launched our first social gaming website in 2015 and began accepting real-money bets in the United States in 2016. Currently, we offer real-money online casino, online sports betting and/or retail sports betting in 16 U.S. states and four international markets, as outlined in the table below.

Jurisdiction	Online Casino	Online Sports Betting	Retail Sports Betting
Domestic:			
Arizona		✓	
Colorado		✓	
Delaware	✓	✓	
Illinois		✓	✓
Indiana		✓	✓
Iowa		✓	
Louisiana		✓	
Maryland		✓	✓
Michigan	✓	✓	✓
New Jersey	✓	✓	
New York		✓	✓
Ohio		✓	
Pennsylvania	✓	✓	✓
Virginia		✓	✓
Washington			✓
West Virginia	✓	✓	
International:			
Colombia	✓	✓	
Ontario (Canada)	✓	✓	
Mexico	✓	✓	
Peru	✓	✓	

Our real-money online casino and online sports betting offerings are generally provided under our BetRivers and PlaySugarHouse brands in the United States and Canada and under our RushBet brand in Latin America (which includes

Mexico). We operate and/or support retail sports betting for our bricks-and-mortar partners primarily under their respective brands. Many of our social gaming offerings are marketed under our partners' brands, although we offer social gaming under our own brands as well. Our decision about what brand or brands to use is market- and partner-specific, and is based on brand awareness, market research, marketing efficiency and applicable gaming rules and regulations.

Corporate History

We were initially incorporated as dMY Technology Group, Inc. ("dMY"), a Delaware corporation, on September 27, 2019, formed for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization, recapitalization or other similar business combination with one or more businesses. On December 29, 2020, dMY completed a business combination pursuant to a business combination agreement dated as of July 27, 2020, as amended (the "Business Combination Agreement" and the transactions contemplated thereby, the "Business Combination"), and in connection therewith, among other things, dMY acquired Rush Street Interactive, LP ("RSILP") and dMY changed its name to "Rush Street Interactive, Inc."

A description of the material terms of the Business Combination and ancillary agreements entered into in connection therewith is set forth in the Current Report on Form 8-K filed with the SEC on January 5, 2021, primarily in the Introductory Note thereto and Item 1.01 therein, and the Registration Statement on Form S-1, Registration No. 333-252810, filed with the SEC on February 5, 2021, and as amended from time to time, primarily in the section titled "Business Combination", which are incorporated herein by reference.

Our Business and Operating Models

We enter new markets by leveraging our proprietary online gaming platform and our ability to provide either a full-suite service model or a customized solution to fit a specific situation. Our business model is designed to be nimble, innovative and customer-centric. By leveraging our dynamic proprietary online gaming platform and our operational expertise, we generally aim to be "first to market" where real-money online gaming has been newly legalized and where our management determines that it is desirable to enter such market.

Our principal offerings are our real-money online casino (including online poker games in certain markets) and online sports betting products. These products can be launched under one of our existing brands or customized to be incorporated into or co-branded with a local or third-party brand. We also provide a variety of retail sports betting solutions to service land-based casino and other partners and leverage our social gaming offerings to increase customer engagement and build online databases in key markets both before and after legalization and regulation.

We currently generate revenue through two operating models: (i) business-to-consumer ("B2C") and (ii) business-to-business ("B2B"). Through our primary operating model, B2C, we offer online casino, online sports betting and social gaming directly to end customers through our apps or websites. Our B2C operations contributed more than 99% and 98% of our total revenue for the years ended December 31, 2025 and 2024, respectively, and we expect that it will continue to be our primary operating model into the future. We believe our B2C model is flexible, permitting us to customize our operating structure based on applicable gaming regulations, market demands and, as applicable, our partner's operations. Through our B2B operations, we primarily offer retail sports betting services to land-based businesses such as bricks-and-mortar casinos in exchange for a monthly commission.

Often in advance of markets legalizing online gaming, we build relationships with local bricks-and-mortar casino operators and other potential partners who are looking for online gaming and sports betting partners. In most U.S. jurisdictions, applicable gaming regulations require online gaming operators that offer real-money offerings to operate under the gaming license of, or partner with, a bricks-and-mortar casino, lottery or other type of local partner such as a professional sports team. Consequently, we leverage our relationships to find high-quality, reliable partners for online gaming collaboration. Upon securing a partner for access to a specific market (if required or desirable) and before we launch operations in that market, we customize our online gaming platform to comply with the jurisdiction's laws and regulations. Then, upon entering a new market, we employ a number of marketing strategies to obtain new customers as well as leverage our partner's database when applicable. We continuously refine our offerings and marketing strategies based on data collected from each market.

To attract, engage, retain and/or reactivate customers, we offer a loyalty program that rewards customers in exciting, fair and transparent ways. We recognize and reward customer loyalty by, among other things, ensuring that there are exciting benefits at every level. Every online gaming customer is automatically enrolled in our iRush Rewards Loyalty

Program, where they earn tier points, loyalty points, and bonus store points with every completed bet. Our tiered system, including gold, platinum, and black levels, is designed to ensure that players receive consistent and valuable rewards. Tier levels remain in place for up to 12 months, providing stability and continued benefits. Bonus store points can be redeemed to unlock bonus incentives and exclusive proprietary bonus games, offering additional opportunities to win prizes and bonus dollars. Customers may also “bank” certain awarded bonuses in our proprietary “bonus bank”, which they can draw from whenever they wish under our 1x wager playthrough requirement, meaning that they need only place one bet with the bonus dollars before cashing out any winnings. Based on research and customer feedback, we attempt to address customer concerns about the general lack of transparency in the industry around awarding, redeeming and tracking bonuses by enabling customers to easily track their loyalty and bonus progressions and giving them control over when and how to redeem their rewards.

We strive to be the first online operator to launch in most new markets (or launch on the first day possible), and we have been successful in doing so in many markets such as Colorado, Delaware, Illinois, Indiana, New Jersey, Pennsylvania, Louisiana, Michigan, Maryland, New York, Ohio, Virginia, Peru (the first fully licensed operator to launch) and Ontario, Canada. However, we have also achieved success when we were not the first to enter a market. For example, we entered the New Jersey online casino market approximately three years after that market opened and there were already numerous competitors in the market at that time. Less than three years after beginning operations in New Jersey, we were the fourth largest online casino brand in New Jersey based on revenue, out of 19 total operators in the market at that time, according to the Eilers & Krejciek Gaming (“EKG”) United States Online Casino Tracker for April 2019.

We believe our success in New Jersey is also noteworthy because we compete with many other companies that have affiliated land-based casinos there. Neither us nor RSG, an affiliated land-based casino operator, operate a bricks-and-mortar casino in New Jersey. Thus, we believe our performance in New Jersey demonstrates that we can be successful in entering competitive markets even without the benefit of an affiliated bricks-and-mortar casino presence.

Competitive Strengths

As we continue to expand in existing and new jurisdictions, we believe we are well-positioned to maintain and build upon our accomplishments by virtue of our competitive strengths:

Proprietary Online Gaming Platform. Owning a proprietary online gaming platform has allowed us to innovate quickly and introduce unique, user-friendly features. We believe these features have helped increase conversion rates from registrations to first-time depositors, improve customer engagement and retention, and increase customer spending. Further, we can update our online gaming platform at a rate that we believe is among the fastest in the industry. As the online gaming industry develops, our online gaming platform should help us better cater to the evolving needs of our current and potential customers and partners. In the long run, we anticipate that our online gaming platform will lead to reduced costs and improved revenue per customer based on our focus on developing differentiated features and functions.

Unique and Diversified Product Offering. We prioritize customizing our offerings, bonusing our customers effectively and optimizing our platform. For example, we have developed some of our own online casino games, which are higher margin for us than those licensed from third parties. We have also developed and incorporated numerous proprietary bonusing features such as our slot tournaments, jackpot systems, collection games, and our proprietary squares game and PropPacks, a sports player card game, both of which appeal to casino and sports betting customers alike. Our omni-channel platform provides broad functionality, such as: location-based decisioning; unified conditional bonusing; gamified award scenarios, such as bingo, jackpot systems, collection games, squares, PropPacks and slot tournaments; customer dashboards (online and at retail); promotional games; real-time awards and promotion management; sophisticated reporting; responsible gaming features improved betting interfaces such as prop central; and same game parlay merchandising, among others.

Market Access and Speed to Market. We currently operate online casino and/or online or retail sports betting in 20 jurisdictions, including 16 states (Arizona, Colorado, Delaware, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, Virginia, Washington and West Virginia) and four international markets (Colombia, Ontario, Canada, Mexico and Peru) with an aggregate population of over 360 million people. We have a proven ability to quickly enter markets as they are regulated. To that end, we have secured potential market access to other markets, subject to certain legislative and/or regulatory developments or approvals, including Texas, which that state alone has a population of approximately 32 million people.

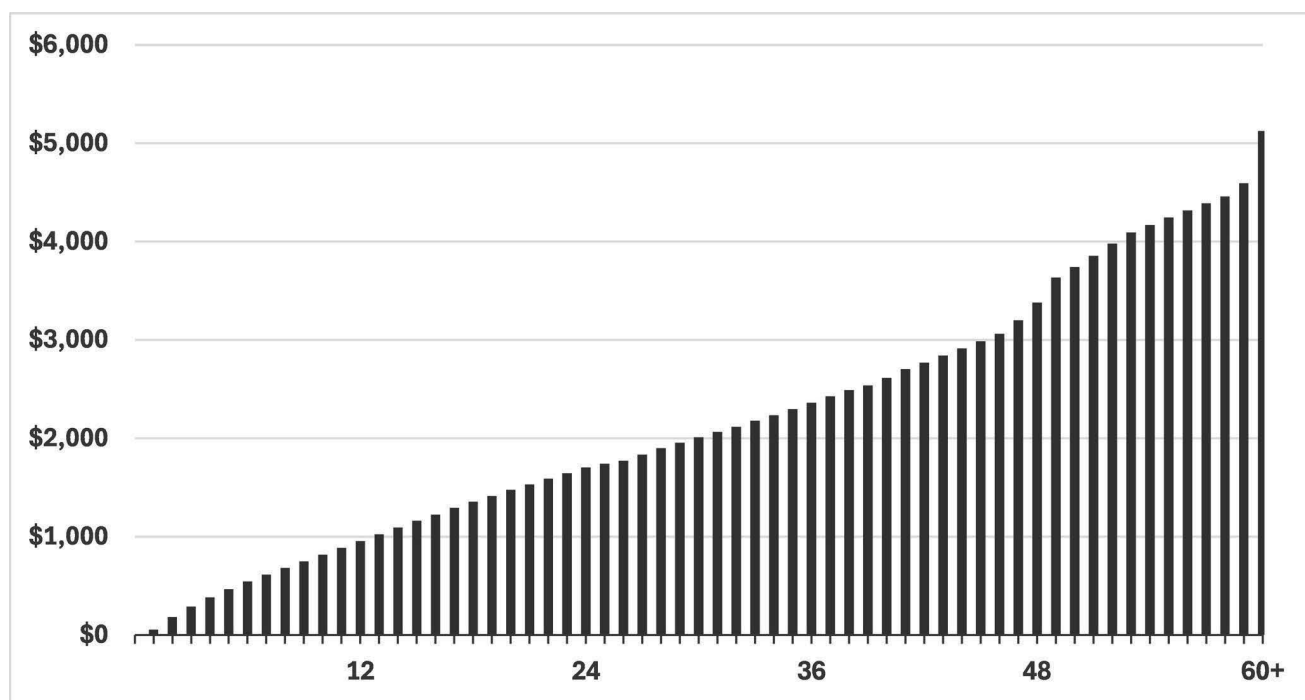
Flexible Business Model. We believe we are well positioned to serve new jurisdictions regardless of the form of their regulations, if any. Our flexible business model enables us to function as a B2C operator or a B2B supplier or joint venturer, depending on market conditions, applicable laws and regulations, and the needs of our partners. This flexibility should allow us to have a core advantage in securing market access and help us address the largest potential total addressable market (“TAM”). For example, the Delaware Lottery selected us in 2023, pursuant to a competitive process, to be its sole operator of online gaming and online sports wagering in the state of Delaware. Our commercial relationship with the Delaware Lottery requires a flexible business model where we not only work closely with the Delaware Lottery but also with the three racinos in the State of Delaware, including with respect to branding and marketing.

Large TAM with International Opportunity. Because of our international real-money online gaming and betting operations in Colombia, Mexico and Peru as well as our flexible business model as described directly above, we believe our TAM is larger than most North America-only operators. We believe this experience will help us enter other Latin American markets and beyond.

Broad Demographic Appeal of our Brands & Products. Our brands, offerings and marketing strategies appeal to both female and male customers, as evidenced by an approximately 51-49 female/male split in our active North American online casino-only customers during calendar year 2025. We believe that while many sports-centric brands appeal more to male customers, our brands and offerings (especially our slot machine game play experience) appeal strongly to female customers – an important demographic for high-value offerings such as online slot machine games.

Compelling Unit Economics. Based on our performance to date, including in some of the most competitive North American markets in terms of the number of online gaming operators, we believe that we can achieve customer lifetime value levels that are among the highest in the industry. We measure lifetime value as total net revenue generated over a customer’s lifetime with us. As demonstrated in the chart below, the average lifetime value of our North American customer cohorts shortly after inception (2017) generally trends higher as the cohorts mature, with our oldest player cohorts having an average lifetime value of approximately \$5,100. This is particularly true for customer cohorts in jurisdictions where both our online casino and our online sports betting offers are available. In addition, as we continue to grow and expand into new jurisdictions, we also expect to continue to leverage our scale to obtain preferred pricing from various vendors.

Average Lifetime Value for All U.S. and Ontario Cohorts Since 2017



Source: RSI management estimates based on the average long-term value of all cohorts since 2017 presented in monthly increments, as measured from the month of first deposit. A cohort represents all U.S. and Ontario-based first-time depositors in a particular month.

Seasoned Executive Team. Our executive team has significant global gaming experience, including with online market leaders such as WMS Industries (now Scientific Games), the Kindred Group and Gaming Partners International Corporation. Our Chief Executive Officer Richard Schwartz, Chief Operating Officer Mattias Stetz, Chief Strategy Officer Rob Picard, Chief Technology Officer Shubham Tyagi and Chief Marketing Officer Brian Sapp all had online gaming, social gaming and/or sports-related experience prior to joining RSI, which we believe has been instrumental in helping capture U.S. market share. Our Executive Chairman Neil Bluhm has a proven track record of developing world-class land-based casinos and has developed numerous successful real estate projects.

Social Gaming Platform. We offer social gaming on the same proprietary online gaming platform as our real-money offerings, which allows us to build user databases in jurisdictions where we do not yet offer real-money gaming. Having both of these products on the same platform allows us to invest in markets before real-money gaming has launched. We believe our social gaming offering strengthens brand awareness and engagement from existing customers, helps to acquire new customers and drives increased visitation to our partners' bricks-and-mortar properties.

Growth Strategies

As we continue to invest in our core competitive advantages and improve the customer experience, we believe we will remain well positioned to continue to grow our business with a focus on long-term profitability. We have established several key areas of strategic focus that will guide the way we consider our future growth:

Access new geographies. With our experience in regulated gaming jurisdictions in the Americas, we are prepared to enter new online casino and/or sports betting markets once management has determined it is desirable to do so. For example, we expect to enter the regulated online casino and sport betting market in Alberta, Canada once that market goes live. Whether we enter a new jurisdiction as an online operator marketing directly to end users or on behalf of our land-based partner (B2C), as a platform provider to a third-party (B2B), or any permutation of the foregoing, our goal is to be ready to enter desirable jurisdictions when we believe conditions enable us to earn a strong return on our invested capital.

Continue to invest in our offerings and our platform. We have developed a set of competencies that we believe position us at the forefront of the evolving online casino and sports betting industry. We will continue iterating on our core user experiences while reinforcing the data-driven marketing and technological infrastructure that allows us to continue to scale our offerings. We plan to continue to invest in our customers and our offerings, such as the introduction of our online poker offering, which we currently offer in four U.S. states, as we remain driven to keep customers engaged while expanding the capabilities of our platform that will enable us to rapidly reach new jurisdictions and attract new customers.

Continue to invest in personnel. We have been and plan to continue to grow our operational, technology and corporate services teams to broaden product development capabilities, innovation and efficiency, reduce reliance on third parties and scale platforms and digital user capabilities.

Strategic Transactions. On a targeted basis, we will seek out strategic transactions such as acquisitions and partnerships that enable us to accelerate our technology plans, obtain exclusive content, expand our customer reach or add efficiencies that potentially bring third-party costs in-house.

Seasonality

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 business may experience seasonality based on the relative popularity of certain sports at different times of the year. See "Item 1A.Risk Factors" of this Annual Report on Form 10-K for additional information.

Human Capital Resources

We strongly believe that our people are key to our success. As such, we focus heavily on our people programs, starting with the talent acquisition process to ensure we are hiring the right people who have a desirable skill set while enhancing our corporate culture. Once hired, we strive to onboard them effectively so that they can quickly become integrated into the business and start contributing. We look to empower our people and encourage creativity, collaboration and entrepreneurship. We provide, among other things, on-the-job training, on-demand learning, and access to professional and technical coaches to support the development, advancement and engagement of our employees. Our corporate culture focuses heavily on valuing employees and enabling them to grow, succeed and take on roles and projects that utilize their

strengths. Recognizing our people's accomplishments, both professionally and personally, is also crucial to our corporate culture. Furthermore, we believe that developing a fair, respectful and safe workplace will enable our people to be more productive and ultimately will contribute to our long-term success. Our flexible paid time off programs permit our employees to pursue personal interests and goals away from their day-to-day job responsibilities. We also offer our team members opportunities to get involved with charitable and community organizations through volunteering and sponsorships.

We have built a team of talented industry professionals, primarily focused on technology and operations, who are supported by a high caliber senior management team with significant experience in the gaming industry. We believe our corporate culture combined with our growth and success have created very high rates of employee retention.

As of February 17, 2026, we had a global workforce of approximately 912 employees and contractors, with approximately 35% of our people working in technical roles. Approximately 44% of our people are based in the United States with the remaining 56% being based elsewhere in the world, including Canada, Colombia, Estonia and Serbia.

Our Products and Economic Model

Our Revenue-Generating Product Offerings

We currently offer real-money online casino, online sports betting and/or retail sports betting in 16 U.S. states, Colombia, Ontario, Canada, Mexico and Peru. We also provide social gaming where users can earn or purchase (where permitted) virtual credits to enjoy free-to-play games.

Our revenue is predominantly generated from our U.S. and Canada operations, with the remaining revenue being generated from our Latin America (including Mexico) operations. See Note 3 to our consolidated financial statements, included elsewhere in this Annual Report. We generate revenue primarily through the following offerings:

Online Casino

Online casino offerings typically include the full suite of games available in bricks-and-mortar casinos, such as table games (i.e., blackjack and roulette), slot machines and poker games. For the offerings other than online poker games, similar to bricks-and-mortar casinos, we generate revenue through hold, or gross winnings, as customers play against the house. For our poker game offerings, like land-based card rooms that are typically incorporated in land-based casinos, we are generally not exposed to the risks of game play or the outcome of the game as players are not playing against the house but are instead playing against each other on a peer-to-peer basis. We generate revenue through rake, or a small commission taken from the total wagers placed on the hand, which is generally subject to a cap, and through tournament entry fees. Like bricks-and-mortar casinos, there is volatility with online casino, but as the number of bets placed increases, the net revenue retained from bets placed becomes easier to predict. Our experience has been that online casino revenue is less volatile than sports betting revenue.

Our online casino offering consists of a combination of licensed content from leading industry suppliers, customized third-party games, our proprietary online poker platform and a small number of proprietary games that were developed exclusively for us. Third-party content is usually subject to standard revenue-sharing agreements specific to each supplier, where the supplier generally receives a percentage of the net gaming revenue generated from its casino games played on our platform. In exchange, we receive a limited license to offer the games on our platform to customers in permitted jurisdictions. We generally pay much lower fees on revenue generated through our proprietary online poker platform and proprietary casino games such as our multi-bet blackjack (with side bets: 21+3, Lucky Ladies, Lucky Lucky) and single-deck blackjack, which primarily relate to hosting/remote gaming server fees and certain intellectual property license fees.

With respect to online poker, player liquidity, or the number or volume of active players with an operator, is critical to the success of the game, with a greater number of active players supporting a wider range and greater volume of games and larger tournaments, increasing the quality of the offering to the consumer. Our online poker offerings include a comprehensive suite of game formats, including cash games, sit & go tournaments and multi-table tournaments, catering to players of all skill levels. Players play against each other in either ring games (i.e., games for cash on a hand-by-hand basis) or in tournaments (i.e., players play against each other for tournament chips with prize money distributed to the last remaining competitors) or variations thereof.

Online casino revenue (other than from online poker games) is generated based on total customer bets less amounts paid to customers for winning bets, less incentives awarded to customers, plus or minus the change in the progressive jackpot reserve. Online casino revenue from online poker games is recognized as rake (i.e., percentage of a game's wagers earned by the Company for satisfying the performance obligation) less any value given back to players, which could be in the form of cash, tournament tickets or other form of bonuses.

Online Sports Betting

Online sports betting involves a user placing a bet on the outcome of a sporting event, a sports-related activity or a series of the same, with the chance to win a pre-determined amount, often referred to as fixed odds. Online sports betting revenue is generated by setting odds such that there is a built-in theoretical margin in each sports bet offered to customers. While sporting event outcomes may result in revenue volatility, we believe that we can achieve a positive long-term betting win margin. In addition to traditional fixed-odds betting, we also offer other fixed-odd sports betting products including in-game betting and multi-sport and same-game parlay betting. We have also incorporated live streaming of certain sporting events into our online sports betting offering. Integrated into our online sports betting platform is a third-party risk and trading platform currently provided by Kambi Group plc and its subsidiaries.

Online sports revenue is generated based on total customer bets less amounts paid to customers for winning bets, less incentives awarded to customers, plus or minus the change in unsettled sports bets.

Retail Sports Betting

We provide retail sports betting services to certain land-based partners in exchange for a monthly commission that is calculated based on the land-based retail sportsbook revenue. Services generally include ongoing management and oversight of the retail sportsbook (i.e., within a bricks-and-mortar location), technical support for such partner's customers, risk management, advertising and promotion, and support for third-party sports betting equipment.

In addition, certain relationships with our partners provide us the ability to operate the retail sportsbook at the land-based partner's facility. In this scenario, revenue is generated based on total customer bets less amounts paid to customers for winning bets, less other incentives awarded to customers, plus or minus the change in unsettled retail sports bets and unclaimed retail tickets for settled retail bets.

Social Gaming

We provide social gaming where users can earn or purchase (where permitted) virtual credits to enjoy free-to-play games. Users who exhaust their credits can either purchase additional virtual credits from the virtual cashier, if permitted, or wait until their virtual credits are replenished for free. Virtual credits have no monetary value and can only be used within our social gaming platform.

Our social gaming business has three main goals: build online databases in key markets ahead of and post-legalization and regulation; generate revenues; and increase engagement and visitation to our bricks-and-mortar partner properties. Our social gaming products are a marketing tool that keeps the applicable brands present in the minds of our users and engages with users through another channel while providing the entertainment value that users seek. We also leverage our social gaming products to cross-sell to our real-money offerings in jurisdictions where real-money gaming is authorized.

We recognize deferred revenue when users purchase virtual credits and revenue when those credits are redeemed. We pay a percentage of the social gaming revenue derived from the sale and redemption of the virtual credits to content suppliers as well as to our land-based partners.

Costs and Expenses

Costs of Revenue. Costs of revenue consist primarily of (i) revenue share and market access fees, which is reduced by any consideration from the vendor, (ii) third-party platform and content fees, (iii) gaming taxes, (iv) payment processing fees and chargebacks and (v) salaries, bonuses, benefits and share-based compensation for dedicated personnel. These costs are primarily variable in nature and should, in large part, typically correlate with the change in revenue. Revenue share and market access fees consist primarily of variable amounts paid to local partners that hold the applicable gaming license, providing us the ability to offer our real-money online offerings in the respective jurisdictions. Our third-party platform and content fees are primarily driven by costs associated with third-party casino content, data and streaming, sports betting

trading services, geolocation, know-your-customer and platform hosting. Gaming taxes include jurisdictional taxes that are determined based on a percentage of revenue (or similar metrics) or excise taxes that are determined based on a percentage of bets placed. We incur payment processing costs on player deposits, withdrawals and occasionally chargebacks (i.e., when a payment processor contractually disallows customer deposits in the normal course of business).

Sales and Marketing. Sales and marketing costs consist primarily of costs associated with marketing our products and services via different channels, promotional activities and the related costs incurred to acquire new customers. These costs also include salaries, bonuses, benefits and share-based compensation for dedicated personnel and are expensed as incurred.

Our ability to effectively market is critical to our success. Using experience, dynamic learnings and analytics, we leverage marketing to acquire, convert, retain and re-engage customers. 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. Further, 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, local advertising rules, 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, out-of-home (i.e., billboards, stadium signage), social media platforms, sponsorships, affiliates and paid search, as well as 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 primarily concentrated within the specific jurisdictions where we operate or intend to operate. We believe there is significant benefit to having a flexible approach to advertising spending as we can quickly redirect our advertising spending based on dynamic testing of our advertising methods and channels.

General and Administrative. General and administrative costs consist primarily of administrative personnel costs, (including salaries, bonuses and benefits and share-based compensation), professional fees related to legal, compliance, accounting, audit and consulting services, indirect technology costs, rent expense, insurance costs and foreign exchange gains or losses.

Depreciation and Amortization. Depreciation and amortization expense consists of depreciation on our property and equipment and amortization of intangible assets (including market access licenses, gaming jurisdictional licenses, internally developed software, trademarks, developed technology and other intangibles) and finance lease right-of-use assets over their useful lives. See Notes 2, 4, 5 and 13 to our consolidated financial statements, included elsewhere in this Annual Report.

Change in Tax Receivable Agreement Liability. The costs or adjustment to costs associated with the recognition of the TRA liability is recorded in Change in Tax Receivable Agreement Liability on the Consolidated Statements of Operations. This cost or adjustment reflects changes in the estimated future payments under the TRA attributable to RSILP Unit exchanges completed prior to June 30, 2025. These prior exchanges increased our tax basis in our share of RSILP's underlying assets, giving rise to expected tax savings and corresponding TRA liability. RSILP Unit exchanges occurring after June 30, 2025 will not result in change in tax receivable agreement liability, as the associated increase in tax basis and the resulting TRA liability will be accounted for as equity transactions. See Note 9 to our consolidated financial statements, included elsewhere in this Annual Report.

Distribution

We distribute our online offerings through various channels, including websites (desktop and mobile), direct application downloads and global direct-to-consumer digital platforms such as the Apple App Store and the Google Play store. We distribute our retail offerings primarily through self-service and over-the-counter betting terminals.

We have developed proprietary technology, product offerings and partnerships to create a sustainable advantage in the online casino and sports betting industry. Strategic multi-year arrangements with partners such as bricks-and-mortar casinos, Native American tribes or professional sports teams enable us to make our offerings available to customers in certain jurisdictions on a B2C basis. We have numerous arrangements in place where legislation or regulations require us to enter the market through a relationship with a local partner or we have otherwise determined that having such an arrangement is desirable. We also have relationships with several land-based partners on a B2B basis.

Our Development Team

Our development team is led by our Chief Technology Officer and consists of a set of cross-functional product development teams comprised of talented individuals with expertise in system architecture, client and server-side product engineering, database architecture, product, engineering and project management, website and native app design and development, security and technical support. Consistent with our overall corporate strategy, the team constantly aims to innovate and differentiate our online offerings.

Proprietary Online Gaming Platform

Our proprietary online gaming platform has been developed and is operated by a seasoned team with global online gaming experience operating across product categories, with particular expertise in the two largest online/mobile product categories: casino and sports betting. We believe our online gaming platform and technology stack give us the ability to provide a personalized, data-driven user journey. The ability to customize the playing experience for each user is a key feature of our online gaming platform. We achieve user personalization by analyzing user history and transactions, and offering customized promotions and real-time, betting-driven bonusing.

In addition to developing a robust online gaming platform, we have developed and are continuing to improve proprietary modules for our online casino and sports betting product verticals to offer a unique and differentiated experience to our customers. Such modules include both frontend and backend components and flexible management tools, which our operations teams use to customize experiences for different user segments. Content for both online casino games and sports betting offers primarily comes from integrated third parties. In addition to developing proprietary technology, as a vertically integrated technology company we operate our own products and platform, with our customer service and marketing operations teams leveraging powerful existing analytics solutions, which are a part of our online gaming platform.

We can develop and implement new features in real-time, which we believe enhances the customer experience and increases customer retention. By owning our own online gaming platform, we can more easily improve and customize the user experience and incorporate key aspects of our operational services into our offerings:

- Payments & Risk Management
- Regulatory Online Reporting & Accounting / Online Gaming Compliance
- Website Management / Games Management / Live Tech Ops / Security
- Online Affiliate Management & Tracking
- Retention / CRM / Business Intelligence & Analytics
- Customer Service

Owning our online gaming platform enables us to prioritize speed to market for new offerings while providing an engaging and unique user experience. Since 2016, we have leveraged our platform to expand our real-money operations and launch in new markets. Additionally, we were the first company to launch (or among the first to launch if multiple operators launched on the same day) online or retail sports betting in many of the markets in which we operate, which we believe has allowed us to acquire customers at a lower cost than we could have if launching in a more mature market.

Our Industry and Opportunity

We currently operate within the online gaming and entertainment industry. The global gaming industry includes a wide array of products such as lotteries, bingo and bingo draw-based games (including Class II gaming), slot machines, poker, casino games (including live dealer), sports betting, horse racing, e-sports, virtual sports and more recently, prediction markets, across land-based and online platforms. The industry has various operators and stakeholders in the private and public sectors, including traditional bricks-and-mortar casinos, state-run lotteries, Native American tribes, card rooms, legacy online gaming operators, non-traditional operators such as consumer goods or services brands that have entered or intend to enter the industry, racetracks/racinos/video lottery terminals, prediction market exchanges and platforms, private

equity or other investment funds, gaming content and data providers, gaming regulators, gaming technology companies, sports teams and leagues, and payment processors.

In recent years, online gaming has seen outsized growth and increased penetration. Based on data from EKG, online sports and casino revenue grew at a 74% compound annual growth rate (“CAGR”) from 2019 to 2025. Continued growth is expected as more states regulate and markets mature, with EKG projecting revenue to grow by more than \$6.0 billion from 2025 to 2029, or a CAGR of 5%.

We believe the following trends are potential drivers of growth in this industry:

- New U.S. and international jurisdictions authorizing and/or privatizing their online casino and online sports betting industries;
- Increasing consumer adoption of digital and online activities, including casino and sports betting. While many other large U.S. industries (i.e., banks, retail stores, movies, etc.) digitalized over a decade ago, the U.S. gaming industry has started to do so more recently; and
- Expanding support and acceptance from other industry stakeholders, including sports teams and leagues, Native American tribes, media companies and financial institutions.

In the past decade, there has been significant regulatory momentum with respect to online gaming across the globe. This momentum has been particularly relevant in developed nations whose citizens generally have disposable income to spend on entertainment and gaming. For example, the UK, Denmark, France, Spain, Italy, Ireland, Poland, Sweden and Switzerland have legalized and regulated online casino and online sports betting. In addition, Mexico, and in recent years numerous U.S. states, Peru, Brazil, Colombia and certain provinces in Argentina and Canada have legalized and/or regulated online gaming. We expect this trend to continue into the future, most notably in the United States, where bills proposing to permit online gaming in various states have been introduced in 2025 and thus far in 2026. Earlier this year, one such bill in Maine became law enabling statewide wagering in partnership with certain Native American tribes, while others either remain pending, including a bill in Virginia that has received several favorable votes during this current legislative session.

U.S. Gaming Industry

We see tremendous opportunity in the U.S. online gaming market. As U.S. jurisdictions become regulated and mature, online gaming penetration may approach that of other developed nations. For example, online casino and online sports betting revenues in the United States increased 25% from \$22.5 billion in 2024 to \$28.2 billion in 2025 per EKG. Despite this rapid growth, some of the most populous U.S. states such as California and Texas have not yet authorized online casino or online sports betting, and New York and Florida have not yet authorized online casino. Thus, we believe that the U.S. online gaming market remains a significant growth opportunity for us.

U.S. Online Casino

Currently, online casino is authorized in fewer states than sports betting. Online casino is authorized only in nine states: Connecticut, Delaware, Maine (although the market is not yet operating), Michigan, New Jersey, Pennsylvania, West Virginia, Rhode Island and Nevada (although regulators have not authorized online casino outside of physical casinos in Nevada). We believe there is great potential for revenue growth as new markets open in the United States. Per EKG, online casino revenue in the U.S. grew by 27% from \$8.4 billion to \$10.7 billion from 2024 to 2025. From 2019 to 2025, online casino revenue grew at a 67% CAGR based on data from EKG, largely driven by an increasing number of U.S. states regulating and immaturity of the market. EKG expects continued growth in the U.S. online casino market as more states regulate and markets mature, with projected revenue to approach \$13.6 billion by 2029. These projections imply a CAGR from 2025 to 2029 of 6%.

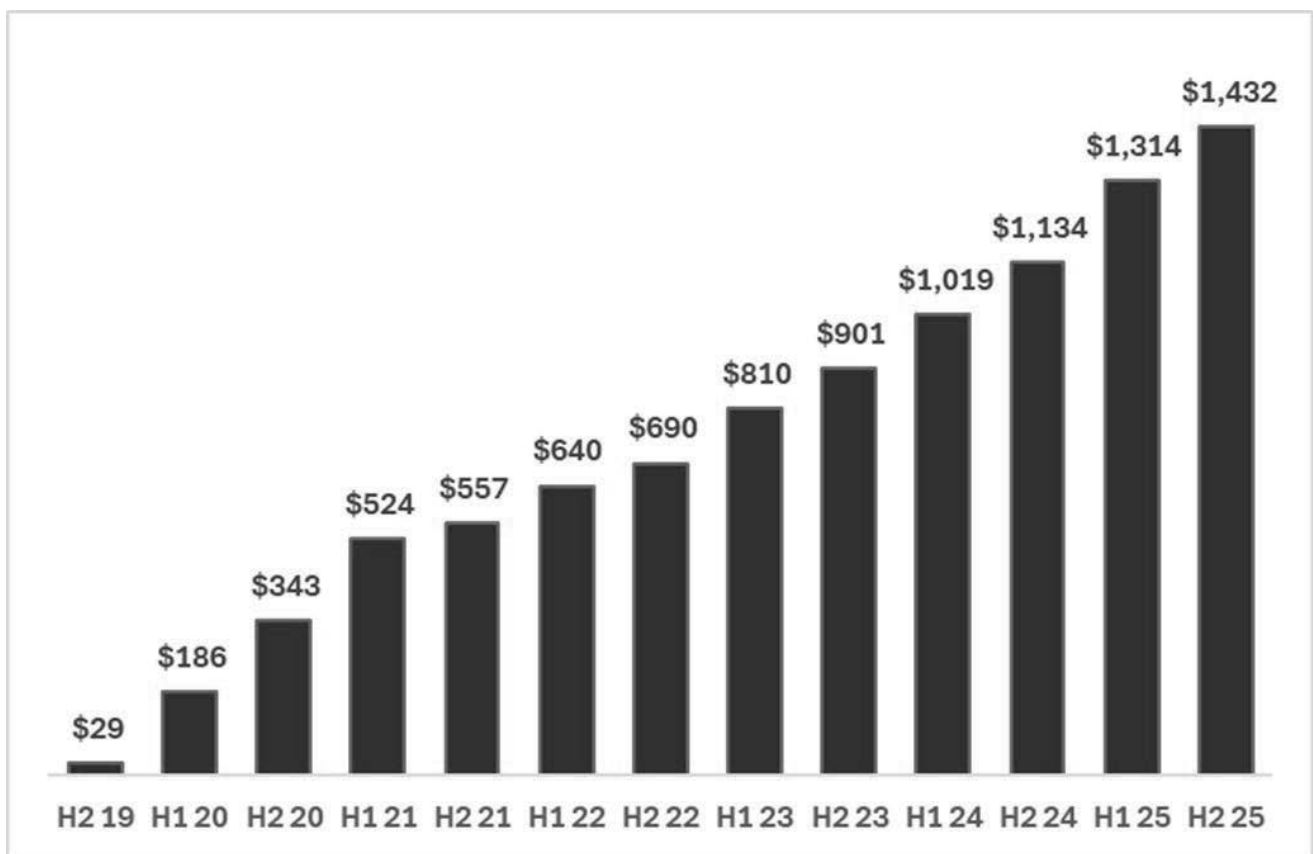
We believe that more states either have and will consider authorizing online casino for the following reasons, among others:

- We believe that macroeconomic factors such as inflation, tariffs and/or an economic slowdown has resulted in increased expenses and/or reduced tax revenue in many states, increasing the need for new sources of tax revenue.

- We believe that general consumer adoption of digital activity, including online gaming, increased since 2020.
- Online casino generated more tax revenue compared to online sports betting in Connecticut, Michigan, New Jersey, Pennsylvania and West Virginia in 2025, meaning authorizing online sports betting alone may not optimize tax revenue.
- We believe that the land-based casino industry, an important stakeholder in many states, generally has shown a wider acceptance of online casino.
- Certain states may receive less financial support from the federal government, which could lead to states exploring alternative revenue sources such as legalizing online casino.
- With the growing prevalence of sports-based prediction markets (i.e., events contracts focused on sporting events), which are not currently subject to state gaming taxes, certain states may experience reduced gaming tax revenues from online sports betting. This, in turn, may result in states to look to offset this deficit in tax revenue through legalizing online casino.

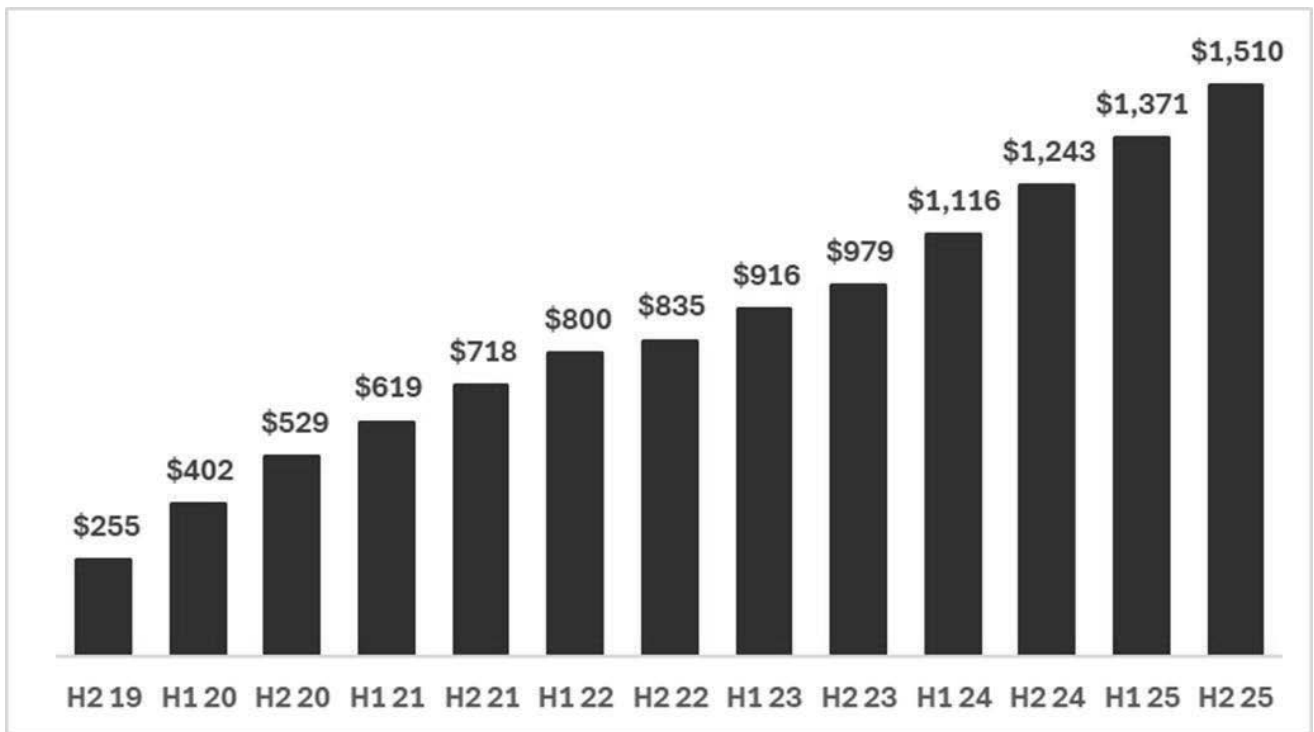
Both Pennsylvania and New Jersey were experiencing online casino taxable revenue growth prior to 2020; however, that growth accelerated in March 2020 and continued in large part through 2025. The charts below highlight the growth of online slot and table games taxable revenue in New Jersey and Pennsylvania since the second half of 2019:

Pennsylvania Online Slot and Table Taxable Revenue (\$ in millions)



Source: Pennsylvania Gaming Control Board

New Jersey Online Slot and Table Gross Revenue (\$ in millions)



Source: New Jersey Division of Gaming Enforcement

U.S. Sports Betting

On May 14, 2018, the U.S. Supreme Court ruled that the Profession and Amateur Sports Protection Act of 1992 (“PASPA”) – a nationwide ban of sports betting – was unconstitutional, thus allowing states (beyond the few states that were grandfathered into PASPA) to enact their own sports betting laws. Since the U.S. Supreme Court’s decision, as of the date hereof, 39 states and the District of Columbia have authorized sports betting. Of those 40 jurisdictions, 32 states have authorized statewide online sports betting while 8 remain authorized for retail-only at casinos or retail locations.

According to EKG, the United States generated approximately \$17.5 billion in online sports betting revenue in 2025. While the overall industry is still nascent, growth to date has been strong. Online sports betting revenue grew at a 81% CAGR from 2019 to 2025 according to EKG, driven mainly by an increasing number of states regulating and the immaturity of the market. EKG projects continued growth as more states regulate and markets mature, with forecasts for online sports betting revenue to exceed \$21.0 billion by 2029.

expand further in Latin America and other countries when the opportunities arise. Online gaming is also authorized in certain jurisdictions within Argentina, Brazil and Ecuador, which have populations of approximately 46 million, 214 million and nearly 18 million, respectively. Based on 2023 data from the World Population Review, Mexico, Argentina, Peru, Brazil and Ecuador still have relatively low internet penetration, with around 81%, 89%, 75%, 84% and 73%, respectively, of the population having internet access compared to approximately 97% in the United States, 94% in Canada and 95% in the UK. Further internet penetration in these Latin American countries would allow us to grow our revenues from online gaming there to the extent we make our offerings available in those countries.

The highest populated country in Latin America, Brazil, approved a bill to legalize sports betting and online casino in December 2023 and its online regulated market launched on January 1, 2025. Argentina and Peru, which are among the top five countries in Latin America measured by population, also legalized sports betting and online casino (the majority of jurisdictions within Argentina) since 2019 and 2022, respectively.

We believe given our experience and success in neighboring Colombia, Mexico and Peru, we will be well-qualified to operate in desirable Latin American jurisdictions in due time.

Canadian Gaming Industry

In April 2022, we were among the first group of operators to launch in Ontario, Canada's competitive regulated online gaming market, where we offer both online casino and online sports betting. Ontario has the highest population and gross domestic product of all the Canadian provinces. Based on the results from Ontario to date, the Ontario market is off to a strong start, with online casino (excluding poker) and online sports betting revenue growing by approximately 36% year over year for 2025 compared to 2024, including an acceleration in the second half of 2025 specifically, where revenue increased 40% as compared to the same period in 2024. Based on the population of Ontario and the growth to date in that market, we expect that market to continue to grow in the future.

The success to date in Ontario is also promising as it may cause other Canadian provinces to consider whether they should launch competitive regulated online gaming and betting. With Ontario being home to approximately 16.2 million people, representing approximately 39% of the total population of Canada, the other Canadian provinces present a large potential growth opportunity. We believe that our experience, contacts and success in Ontario positions us well to expand further in other Canadian markets when deemed appropriate.

Recently, Alberta has announced its intention to launch competitive regulated online gaming in that province, although no specific launch date has been formally announced as of the date hereof. Alberta's population of approximately five million makes it Canada's fourth largest province by population. It also enjoys Canada's highest GDP per capita amongst the Canadian provinces.

Competition

We operate in the global gaming and entertainment industry. Therefore, we generally view any type of discretionary leisure and entertainment provider as a competitor with respect to our customers' time and share of wallet. Other forms of entertainment, such as television, movies, sporting events and in-person casinos, are more well established and may be perceived by our users to offer greater variety, affordability, interactivity and enjoyment.

The specific industries in which we operate are characterized by dynamic customer demand and technological advances, and there is significant competition among online gaming and entertainment providers. A number of established, well-financed companies producing online gaming and/or interactive entertainment products and services compete with our offerings, and other well-capitalized companies, some of which may be new entrants to the gaming and entertainment industry, may introduce competitive services and new offerings such as sports-based prediction markets. There has also been consolidation among competitors in the entertainment and gaming industries and such consolidation and future consolidation could result in the formation of larger competitors with increased financial resources, stronger brands and altered cost structures, which may enable them to offer more competitive products, gain larger market share, expand their product offerings and broaden their geographic scope of operations. Specifically, in the North American and Latin American online casino and sports betting space (our primary market), our competitors come from two main groups – (i) established online-first companies and (ii) bricks-and-mortar casino and similar gaming establishments that have online operations.

We compete on a number of factors across our B2C offerings. These include, without limitation, our front-end online gaming platform, our back-end infrastructure, our ability to retain and monetize existing customers, re-engage prior customers and attract new customers, and our regulatory access, compliance and customer service experience.

In the B2B space, primarily in the retail sportsbook market, our competitors include, without limitation, providers of gaming technology such as player account management and online betting and/or gaming platforms. We compete primarily on the quality and breadth of our technology solutions and support services.

Intellectual Property

Our business relies significantly on the creation, authorship, development, use and protection of intellectual property. This intellectual property consists of, for example, software code, proprietary technology, trademarks, domain names, copyrights, patents, customer lists and databases and trade secrets that we use to develop and provide our offerings and related services, as well as online betting and gaming content (both proprietary and licensed) and proprietary data acquired from our customers' use of our offerings and related services.

We own the copyrights in the software code we author. In the past we have filed patent applications, and from time to time, we may seek patent protection covering inventions we conceive, and we generally pursue the registration of our domain names, trademarks and service marks in the United States and in certain foreign jurisdictions.

We rely on common law rights or contractual restrictions to protect certain of our intellectual property rights, and we control access to our software source code and other trade secrets by entering into confidentiality and intellectual property assignment agreements with our employees and contractors and confidentiality agreements with third parties that have access to our software source code, trade secrets or other intellectual property. From time to time, we may assert our rights in our intellectual property as appropriate or desirable against third parties who may be infringing such rights.

Some of the intellectual property we use is owned by affiliated entities or third parties, and we have entered into licenses and other agreements with the relevant parties to obtain rights to use such intellectual property. Although we believe we have sufficient rights under such agreements for the intended operation of our business, such agreements often restrict our use of the third parties' intellectual property and limit such use to specific time periods, jurisdictions or purposes.

RSG, an affiliated entity, and its affiliates assigned to us several of the trademarks and domain names that we use in connection with our business, and we granted to RSG and its affiliates a perpetual, royalty-free license to use some of these trademarks and domain names in certain fields of use. 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.

We have a license agreement, as may be amended from time to time, with Rivers IP Holdings, LLC, an affiliated entity, pursuant to which it granted to us a fully paid-up, exclusive license for the use of the trademarks "Rivers," "BetRivers," and "Bet Rivers" used alone or in combination with other words, and domain names incorporating any of these trademarks, in each case in connection with real-money gaming and fantasy sports (subject to obtaining certain gaming approvals) and play-for-fun or free-to-play offerings (anywhere in the world). Either party may terminate this license by giving the other party 180 days' written notice. This agreement provides us with a license to use the "Rivers," "betrivers," "betrivers.com" trademarks and domain names in jurisdictions in which RSG operates "Rivers" branded casinos. However, in those jurisdictions we received a sublicense from the applicable "Rivers" branded casinos to utilize such trademarks and domain names in connection with our operation of retail and online sports betting and online gaming under the casinos' regulatory licenses. We also have similar license agreements, as may be amended from time to time, with Sugar House HSP Gaming, LP, pursuant to which we can use the "Sugarhouse" and "playsugarhouse" marks and related domains in the jurisdictions in which they are used.

Third parties in the sports betting, online gaming and casino, technology and other industries may own patents, copyrights and trademarks and may occasionally threaten litigation or file suit against us or our vendors or request us or our vendors to enter into license agreements, in each case based on allegations of infringement or other violations of intellectual property rights. Occasionally, we and/or our vendors have received, and expect to receive in the future, third-party allegations or cease-and-desist letters, including from our competitors and non-practicing entities, that we have infringed such parties' intellectual property rights, such as their trademarks, copyrights and patents. Such allegations may increase as our business grows and we expand our offerings.

Government Regulation

We are subject to various U.S. and foreign laws and regulations that affect our ability to operate in the gaming and entertainment industry, in particular in the online gaming industry. These industries are generally subject to extensive and evolving regulations that could change based on political and social norms and that could be interpreted or enforced in ways that could negatively impact our business.

The gaming industry is highly regulated, and we generally must maintain licenses and pay gaming taxes or a percentage of revenue in each jurisdiction in which we operate and/or are licensed in order to continue our operations. Our business is subject to extensive regulation under the laws, rules and regulations of the jurisdictions in which we operate. These laws, rules and regulations generally concern the responsibility, financial stability, integrity, honesty and character of the owners, managers and persons with material financial interests in the gaming operations along with the integrity and security of the online casino and sports betting offerings. Violations of laws or regulations in one jurisdiction could result in disciplinary action in that and other jurisdictions.

Gaming laws are generally based upon declarations of public policy designed to protect customers and the viability and integrity of the gaming industry. Gaming laws also may be designed to protect and maximize state, provincial and/or other local tax revenues, as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish stringent procedures to ensure that participants in the gaming industry meet certain standards of character and responsibility. Among other things, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organizations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain anti-money laundering practices and procedures;
- establish and maintain responsible accounting practices and procedures and systems for reliable record keeping;
- maintain effective controls over their financial practices, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- file periodic reports with gaming regulators;
- establish programs to promote responsible gaming; and
- enforce minimum age and as applicable, location requirements.

Typically, the regulatory environments in U.S. states or other jurisdictions in which we operate are established by statute and underlying regulations and are administered by one or more regulatory agencies (typically a gaming commission or governmental lottery) that regulate the affairs of owners, managers and persons with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which we conduct our business:

- adopt rules and regulations under the implementing statutes;
- interpret and enforce gaming laws and regulations;
- impose fines and penalties for violations;
- review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- grant licenses for participation in gaming operations;
- collect and review reports and information submitted by participants in gaming operations;
- review and approve certain transactions, which may include acquisitions or change-of-control transactions of gaming industry participants and securities offerings and debt transactions engaged in by such participants; and

- establish and collect fees and taxes in jurisdictions where applicable.

While we believe that we comply in all material respects with applicable sports betting and online casino laws, licenses and regulatory requirements, we cannot provide assurance that our activities or the activities of our customers, partners or suppliers will not become the subject of any regulatory or law enforcement investigation, proceeding or other governmental action or that any such proceeding or action, as the case may be, would not have a material adverse impact on us or our business, financial condition or results of operations.

Licensing and Suitability Determinations

To operate in certain jurisdictions we must first obtain either a temporary or permanent license or determination of suitability from the responsible authorities. We seek to ensure that we obtain all necessary licenses to develop and put forth our offerings in the jurisdictions in which we operate and where our customers are located, as applicable.

Gaming laws generally require us, and each of our direct and indirect subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, certain of our stockholders holding more than a specified percentage of our outstanding equity, to obtain licenses from gaming authorities. Licenses typically require a determination that the applicant qualifies or is suitable to hold the license. Where not mandated by statute, rule or regulation, gaming authorities typically have broad discretion in determining who must apply for a license or finding of suitability and whether an applicant qualifies for licensing or should be deemed suitable to conduct operations within a given jurisdiction. When determining to grant a license to an applicant, gaming authorities generally consider: (i) the financial stability, good character, honesty, integrity and responsibility of the applicant (including verification of the applicant's sources of funding); (ii) the quality and security of the applicant's online real-money gaming platform, hardware and related software, including the platform's ability to operate in compliance with local regulation, as applicable; (iii) the applicant's history; (iv) the applicant's ability to operate its gaming business in a socially responsible manner; and (v) in certain circumstances, the effect on competition.

Gaming authorities may, subject to certain administrative procedural requirements: (i) deny an application, or limit, condition, revoke or suspend any license issued by them; (ii) impose fines, either on a mandatory basis or as a consensual settlement of a regulatory action; (iii) demand certain individuals or stockholders be disassociated from a gaming business; and (iv) in serious cases, liaise with local prosecutors to pursue legal action, which may result in civil or criminal penalties.

Events that may trigger revocation of a gaming license or other form of sanction vary by jurisdiction. However, typical events include, among others: (i) conviction in any jurisdiction of certain persons with an interest in, or key personnel of, the licensee of an offense that is punishable by imprisonment or may otherwise cast doubt on such person's integrity; (ii) failure without reasonable cause to comply with any material term or condition of a gaming license; (iii) declaration of, or otherwise engaging in, certain bankruptcy, insolvency, winding-up or discontinuance activities, or an order or application with respect to the same; (iv) obtaining a gaming license by a materially false or misleading representation or in some other improper way; (v) violation of applicable anti-money laundering or terrorist financing laws or regulations; (vi) failure to meet commitments to customers, including social responsibility and responsible gaming commitments; (vii) failure to pay in a timely manner all gaming or betting taxes or fees due; or (viii) determination by the gaming authority that there is another material and sufficient reason to revoke or impose another form of sanction upon the licensee.

Gaming authorities generally also have the right to investigate individuals or entities having a material relationship or material involvement with us or any of our subsidiaries, to determine whether such individual or entity is suitable as a business associate. Specifically, as part of our obtaining sports betting and online casino licenses, certain of our officers, directors, employees, and in some cases, stockholders (typically, beneficial owners of 5% or more of a company's outstanding equity, with most jurisdictions providing that "institutional investors" (as defined by a particular jurisdiction) can seek a waiver of these requirements) must file applications with the gaming authorities and may be required to be licensed or to qualify or be found suitable in many jurisdictions. Qualification and suitability determinations generally require the submission of extensive and detailed personal and financial disclosures followed by a thorough investigation. The applicant must pay all the costs of the investigation. Changes with respect to the individuals who hold licensed positions must be reported to gaming authorities and in addition to the authority to deny an application for licensure, qualification or a finding of suitability, gaming authorities may disapprove a change in a corporate position. If any director, officer, employee or significant stockholder is found unsuitable (including due to the failure to submit required documentation) by a gaming authority, we may deem it necessary, or be required, to sever our relationship with such person. Furthermore, our second amended and restated certificate of incorporation (our "Charter") provides that any equity interests of RSI owned or controlled by an unsuitable person or its affiliates will be subject to mandatory sale and transfer

to either RSI or one or more third party transferees and in such number and class(es)/series of equity interests as determined by our Charter in good faith (following consultation with reputable outside and independent gaming regulatory counsel) pursuant to a resolution adopted by a majority of our Board of Directors (the “Board”).

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after a gaming authority advises that it is required may be denied a license or found unsuitable, as applicable. Furthermore, we may be subject to disciplinary action or our licenses may be in peril if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or any of our subsidiaries, we: (i) pay that person any dividend or interest upon our voting securities; (ii) allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person; (iii) pay remuneration in any form to that person for services rendered or otherwise; or (iv) fail to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities.

Product-Specific Licensing

Online Casino

North America

We currently offer online casino in Delaware, Michigan, New Jersey, Ontario (Canada), Pennsylvania and West Virginia, pursuant to licenses granted by the Delaware State Lottery Office, Michigan Gaming Control Board, New Jersey Division of Gaming Enforcement, the Alcohol and Gaming Commission of Ontario (the “AGCO”), the Pennsylvania Gaming Control Board and the West Virginia Lottery, respectively.

Generally, online gambling in the United States is only lawful when specifically permitted under applicable state law. At the federal level, several laws provide federal law enforcement with the authority to enforce and prosecute gambling operations that violate underlying state gambling laws. These enforcement laws include the Unlawful Internet Gambling Enforcement Act (“UIGEA”), the Illegal Gambling Business Act and the Travel Act. No violation of UIGEA, the Illegal Gambling Business Act or the Travel Act can be found absent a violation of an underlying state law or other federal law. In addition, the Wire Act of 1961 (as amended, the “Wire Act”) provides that anyone engaged in the business of betting or wagering who knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, will be fined or imprisoned, or both. However, the Wire Act notes that it shall not be construed to prevent the transmission in interstate or foreign commerce of information for use in news reporting of sporting events or contests, or for the transmission of information assisting in the placing of bets or wagers on a sporting event or contest from a state or foreign country where betting on that sporting event or contest is legal into a state or foreign country in which such betting is legal. There was legal action as to whether the Wire Act applies beyond sports betting. A federal court has ruled that it does not and the U.S. Department of Justice (the “DOJ”) has not appealed.

In Canada, all forms of gaming are generally prohibited by the Canadian federal criminal code. However, Canadian provincial governments may generally conduct and manage gaming within their own province, subject to certain limitations. In 2022, Ontario adopted standards and regulations applicable to online gaming activities in Ontario, and in conjunction with iGaming Ontario, a subsidiary of the AGCO, began conducting and managing online gaming within Ontario. It is within this framework that we received a license to operate our online casino offering within Ontario, Canada.

Latin America

We operate our online casino and sports betting offerings in each of Colombia, Mexico and Peru under the RushBet brand.

In Colombia, we operate pursuant to a concession contract with the Colombian gaming regulatory agency, Coljuegos Empresa Industrial Comercial Del Estado Administradora Del Monopolio Rentistico De Los Juegos De Suerte y Azar Linea Gratuita (COLJUEGOS). In Mexico, gaming is regulated at the federal level through the Mexican Ministry of the Interior, also known as the Secretaría de Gobernación (the “SEGOB”). The SEGOB issues permits to operators of gaming facilities but does not regulate suppliers or providers of online gaming services. Through a relationship with a local Mexican partner that holds a gaming permit, we, as a service provider for our partner, make our online casino offerings in Mexico. In Peru, we operate pursuant to authorizations to operate remote gaming and remote sports betting, each issued by the Ministry of Foreign Trade and Tourism (MINCETUR), the national administrative authority in charge of regulating, implementing and overseeing all aspects of online gaming and sports betting in Peru.

Sports Betting

North America

In North America we currently operate our online sports betting offering under the PlaySugarHouse brand in Pennsylvania and the BetRivers brand in Arizona, Colorado, Delaware (co-branded with land-based operators), Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, Virginia and West Virginia, as well as Ontario, Canada pursuant to our licenses granted by the gaming commission of such jurisdictions, specifically, the Pennsylvania Gaming Control Board, the Arizona Department of Gaming, the Colorado Division of Gaming, the Delaware State Lottery Office, the Illinois Gaming Board, the Indiana Gaming Commission, the Iowa Racing and Gaming Commission, the Louisiana Gaming Control Board, the Maryland State Lottery and Gaming Control Agency, the Michigan Gaming Control Board, the New Jersey Division of Gaming Enforcement, the New York State Gaming Commission, the Ohio Casino Control Commission, the Virginia Lottery Board, the West Virginia Lottery and the Alcohol and Gaming Commission of Ontario. We also operate retail sportsbooks in Illinois, Indiana, Maryland, Michigan (see “*Native American Gaming Regulation*”), New York, Pennsylvania, Virginia and Washington (see “*Native American Gaming Regulation*”) pursuant to applicable state and tribal licensing regimes.

On May 14, 2018, the U.S. Supreme Court issued an opinion determining that PASPA was unconstitutional. PASPA prohibited a state from “authorizing by law” any form of sports betting. In striking down PASPA, the U.S. Supreme Court opened the potential for state-by-state authorization of sports betting. Numerous states and territories already have laws authorizing and regulating some form of sports betting online or in bricks-and-mortar establishments. Sports betting in the United States is subject to additional laws, rules and regulations at the state level. See “*Risk Factors — Risks Related to Government Regulation — Our business is subject to numerous U.S. and foreign laws and regulations, many of which are unsettled and still developing. Any change in regulations or their interpretation, or the regulatory climate applicable to our business and offerings, or changes in tax rules and regulations or interpretation thereof related 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.*”

Native American Gaming Regulation

Gaming on Native American lands is governed by federal law, tribal-state compacts and tribal gaming regulations. The Indian Gaming Regulatory Act of 1988 (the “IGRA”) provides the framework for federal and state control over all gaming on Native American lands and is administered by the National Indian Gaming Commission and the Secretary of the U.S. Department of the Interior. The IGRA requires that a tribe and the state in which the tribe is located enter into a written agreement, a tribal-state compact, which governs the terms of the gaming activities. Tribal-state compacts vary from state-to-state and in many cases require vendors to meet ongoing registration and licensing requirements. Many Native American tribes have also established tribal gaming commissions to regulate gaming-related activity on tribal lands. Through our subsidiaries, we provide play-for-fun sports betting and online casino services on behalf of certain Native American tribes that have negotiated compacts with their respective states and have received federal approval. Currently, we are authorized as a vendor to provide online casino and online and retail sports betting services to the Little River Casino Resort, a wholly owned and operated enterprise of the Little River Band of Ottawa Indians, and as a vendor to provide retail sports betting services to the Swinomish Indian Tribal Community dba Swinomish Casino & Lodge, a federally recognized Indian Tribe. We also provide social casino offerings to Coshatta Casino Resort, a gaming enterprise owned and operated by the Coshatta Tribe of Louisiana.

Latin America

In Colombia, we operate our online sports betting offering under the RushBet brand. We also operate 22 retail shops or sports bar locations where customers can use provided terminals to place bets and make deposits and withdrawals. We operate pursuant to a concession contract with the Colombian gaming regulatory agency, COLJUEGOS.

In Mexico, gaming (including sports betting) is regulated at the federal level through the SEGOB. The SEGOB issues permits to operators of gaming facilities but does not regulate suppliers or providers of online gaming services. Through a relationship with a local Mexican partner that holds a gaming permit, we, as a service provider for our partner, make our online sports betting offerings available under the RushBet brand in Mexico.

In Peru, remote gaming and sports betting is regulated at the federal level through the MINCETUR. The MINCETUR issues authorizations to operators of remote gaming and/or sports betting. We operate pursuant to authorizations to operate remote gaming and remote sports betting, each issued by the MINCETUR under the RushBet brand in Peru.

Data Protection and Privacy

In addition to our licensing regime for our offerings, we also take significant measures to protect personal information and data which we process on our behalf or on behalf of others. We collect, use, store, receive, transmit, share or disclose, and otherwise process certain personal information of our customers, personnel or job applicants, and third-party vendors and, thus, we are subject to a broad and evolving framework of U.S. federal and state, European Union (the “EU”) and other non-U.S. privacy and data protection laws and regulations, including, among others, the California Consumer Privacy Act (the “CCPA”) (as amended by the California Privacy Rights Act together with the CCPA Regulations), the EU’s General Data Protection Regulation (the “GDPR”), and comparable data protection and privacy regimes in Canada, Colombia, Mexico and Peru. Many of these requirements are new, developing, or untested, may not yet be fully effective, and could be interpreted or enforced in ways that increase compliance costs, limit our operations, or otherwise adversely affect our business, with potentially unknown impacts. Additionally, while we do not make our offerings available in the EU, we do collect, use, store, receive, transmit, share or disclose, and otherwise process certain personal information of job applicants and personnel in Estonia and other countries in the EU, thus we are also subject to the GDPR with respect to such data.

Compliance

We have developed and implemented an internal compliance program designed to ensure that we comply with legal and regulatory requirements imposed on us in connection with our online casino and sports betting activities. Our internal compliance program focuses, among other things, on reducing and managing problematic gaming and providing tools to assist users in making educated choices related to gaming activities.

Additionally, we use various methods and tools across our operations such as geolocation blocking, which restricts access to wagering activities based on a user’s geographical location determined through a series of data points such as mobile devices and Wi-Fi networks; age verification to ensure the user is old enough to participate; routine monitoring of user activity; and risk-based user due diligence to ensure customer funds are legitimately derived. We have a zero-tolerance approach to money laundering, terrorist financing, fraud and collusion. While we are firmly committed to full compliance with all applicable laws and have developed appropriate policies and procedures to comply with the requirements of the evolving regulatory regimes, we cannot provide assurance that our compliance program will prevent all violations of applicable laws or regulations, or that a violation by us or our personnel will not result in a monetary fine, suspension or revocation of one or more of our licenses, or other governmental or regulatory action.

We have built our online platform to meet the needs of differing regulatory regimes, including configurable regulatory and responsible gaming controls such as operator alerts on customer behavior, deposit limits, betting limits, loss limits, cooling-off periods and session limits. These features are intended to provide our customers full control of their gaming to allow them to play responsibly.

Responsible and Safer Gaming

We view the safety and welfare of our customers as critical to our business and have made corresponding investments in our processes and systems to help ensure their safety and welfare. We are committed to industry-leading responsible gaming practices and seek to provide our customers with the resources and services they need to play responsibly. These practices, resources and services include deposit limits, voluntary restrictions on access and use of certain offerings, temporary self-exclusion and cooling-off periods, voluntary permanent exclusion from our offerings and applications and data science technology, which helps us flag any suspicious, abnormal or problematic betting activity. We also generally participate in self-exclusion registers where they are in operation. We prominently promote our responsible gaming tools, resources and initiatives on our website and mobile applications. We also maintain a self-excluded customer list, which prohibits self-identified customers from placing bets or participating in real-money gaming and have embedded the software to limit or restrict the amount individual customers spend. In addition, we train our frontline personnel to identify signs of problematic gaming, ensuring that we are not only utilizing data and technology but also our human resources. Additionally, all of our employees take responsible gaming training with mandatory periodic refresher trainings overseen by our compliance team.

We have been a member of the National Council on Problem Gambling (“NCPG”) since May 2019. The NCPG is the leading national organization for people and their families who are affected by problem gambling and gambling addiction. Our NCPG membership supports wide-ranging problem gambling prevention, treatment, education and research programs, as well as innovative responsible gambling policies provided by the NCPG. Our membership helps build on NCPG efforts, including the Safer Sports Betting Initiative and Internet Responsible Gambling Standards, which assist operators like us by providing best practice responsible gambling policies and procedures for all online gambling activities, including sports betting. In March 2022, we became the first U.S.-based online casino and sports betting company to receive RG Check iGaming Accreditation from the Responsible Gambling Council for our BetRivers.com and PlaySugarHouse.com sites. RG Check is regarded as one of the world’s most comprehensive and rigorous responsible gaming accreditation program. We received reaccreditation in 2025. In addition, in July 2022, we became the first U.S.-based online casino and sports betting company to partner with Neccton to adopt its player protection software for our North American BetRivers and PlaySugarHouse sites. This real-time data analysis player protection software has helped us offer an added layer of player safety and sustainable play. During 2025, we expanded our player protection capabilities by developing responsible gaming risk rating functionality within our internal systems to support player account reviews, and we also implemented a case management system to facilitate potential problem gambler analysis and player outreach.

In 2024, we partnered with the AGA by participating in its “Have a Game Plan®” public service campaign, which brought together organizations across the gaming and sports industries to advance responsible sports wagering, and we continued that partnership into 2025. As an official partner to the New Orleans Pelicans, Detroit Pistons, Pittsburgh Penguins, and Philadelphia Flyers, we leveraged our relationship to create a combined in-stadium message to raise awareness of our partnership with the AGA and show our support for the Have a Game Plan responsible gaming tools.

Available Information

Our Internet address is www.RushStreetInteractive.com. Our website and the information contained therein or linked thereto are not part of this Annual Report. We make available free of charge through our Internet website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, registration statements and amendments to those reports filed or furnished pursuant to the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to the SEC. The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC’s website at www.sec.gov.

ITEM 1A. RISK FACTORS

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 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 posting 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, Native American tribes 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 and regulations, 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 legality of real-money gaming in various jurisdictions, and legalization may not occur in as many 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 human error, malfeasance 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.
- 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 (as defined below) and/or the exchanging holders of RSILP Units (as defined below), 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 (as defined below) (for shares of Class A Common Stock (as defined below) (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 online or retail sports betting and online or bricks-and-mortar casino, which includes operators of sweepstakes casinos/sportsbooks, charitable gaming, video gaming terminals, crypto casinos, prediction markets, illegal gambling operations, skill games and fantasy sports, as well as against providers of online and mobile entertainment and leisure products more generally. Recently, certain companies regulated by the Commodity Futures Trading Commission have begun offering “events contracts” on certain sporting events. These companies are generally subject to different regulatory and tax frameworks than us, which could result in a competitive advantage for them. 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 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, 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. “Grey market” operations, which are gaming operations in jurisdictions with unclear laws or regulations regarding gambling (or no such laws exist), present a significant risk to our business. Grey market operators may operate outside of the strict regulatory and licensing requirements we adhere to, allowing them to avoid compliance costs and restrictions, licensing requirements, customer-focused safeguards and payment of gaming taxes, creating an uneven playing field and potentially putting customers at higher risk of gambling-related and other harms. These grey market operators may be able to offer more aggressive promotions, reduced pricing or expanded offerings, drawing customers away from our platform. 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, 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.

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.

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, such as when our customers will win large jackpots, 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.

Our operating results may vary, which may make future results difficult to predict with certainty.

Our operating results and financial performance 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, other forms of entertainment available to our customers, our marketing efforts, weather conditions, public sentiment and macroeconomic conditions.

The number and amount of betting losses and jackpot payouts we experience 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. Additionally, we offer progressive jackpot games. 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, it 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, relocation or cancellation of major sports seasons or events due to events beyond our control such as weather conditions or disasters like the wild fires in Los Angeles, which resulted in the Los Angeles Rams versus the Minnesota Vikings being relocated to Arizona and several NBA and NHL games being rescheduled due to the wildfires to ensure fan and player safety, or the Minnesota Timberwolves versus the Golden State Warriors game being postponed due to local protests and safety concerns, 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.

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.

We depend on certain key personnel to manage and operate our business, including our Executive Chairman, CEO and President and CFO. 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. Competition for skilled engineers and developers is so intense in the United States that we 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 attract top talent in a competitive industry and labor market, we have offered, and believe we will need to continue to offer, robust compensation packages before we can validate an individual's productivity. 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, \$0.0001 par value per share (the "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 or failure to manage executive or key employee succession successfully, could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, losing employees or being unable to hire necessary skilled employees could result in significant disruptions to our business, and integrating replacement personnel could be time-consuming, expensive and cause additional disruptions to our business. If we fail to attract, hire and integrate qualified personnel, or retain and motivate existing personnel, we may be unable to grow effectively and our business, financial condition, results of operations and prospects could be adversely affected.

Clear errors in posting 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.

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, potential regulatory fines and reputational damage. 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 bets 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 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.

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 our offerings. 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 like 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 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, 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 and 2024, 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. Specifically with respect to online poker, collusion between online poker players may occur through "chip dumping" (depositing and losing money against another colluding customer in an attempt to launder money), and players may attempt to cheat through, among other things, the use of artificial intelligence or other sophisticated computer programs (also known as bots) to create an artificial competitive advantage for themselves. The use of artificial intelligence and bots to try to create an artificial advantage for our customers may also occur in other real-money gaming and betting activities too such as sports betting, bingo, slots and other casino games.

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, and 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 we could be forced 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 take to detect and reduce fraudulent or 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 and reliable 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 nearly 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, brand ambassadors, 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 many 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 sponsorships, 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, out-of-home (i.e., billboards, stadium signage), 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 and content, media interviews and other media spots and organic searches. These efforts are concentrated within the specific jurisdictions where we operate or intend to operate to the extent possible.

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. Despite 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” 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, Native American tribes 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, 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 data in these databases. The local partner 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 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.

Our customers primarily access our online sports betting and online casino offerings through our app on their mobile devices, and we expect 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 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. Any such changes could limit, eliminate or otherwise interfere with our products, our ability to distribute our applications through the platforms, our ability to update our applications, including to make bug fixes or other feature updates or upgrades, the features we provide, the manner in which we market our products, our ability to access native functionality, or other aspects of mobile devices, and our ability to access information about our users that they collect. Additionally, given the complexity of the regulatory frameworks that apply to the online gaming industry and the pace at which the industry is expanding in various markets, app stores may prohibit or delay the inclusion of our app in their app store in certain jurisdictions due to the app store’s uncertainty or lack of clarity regarding the permissibility of online gaming in the impacted jurisdictions.

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 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 change 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.

Since being founded in 2012, we have primarily focused our efforts on growing our current offerings, including, most recently, by offering online poker games. 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 such as sports-based prediction markets, and changes in customer preferences and expectations. We must continuously decide 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, 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 develop technology and offerings that address users' needs or enhance and improve our existing 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.

Our new offerings may 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.

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 a public company, we are required to maintain internal control over financial reporting and report any material weaknesses in such internal controls. Section 404 of Sarbanes-Oxley requires that we evaluate and determine the effectiveness of our internal control over financial reporting and that our independent registered public accounting firm attest to our evaluation of our internal control over financial reporting with our Annual Report.

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, 2025, and our independent registered public accounting firm has issued a report attesting to this, 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 that may be identified 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, 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 U.S. or international 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. Additional guidance issued by the IRS pursuant to the TCJA or an extension of TCJA provisions may 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 the current impact of the IRA on us has not been material, 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, on July 4, 2025, H.R. 1, the “One Big Beautiful Bill Act” (the “OBBBA”) was signed into law in the United States. Among other changes, the OBBBA modifies key business tax provisions, including the restoration of 100% bonus depreciation under Section 168(k) of the United States Internal Revenue Code of 1986, as amended (the “IRC”), the restoration of the immediate deduction of U.S. domestic research and experimental expenditures under Section 174A of the IRC, the restoration of the EBITDA-based business interest expense limitation under Section 163(j) of the IRC, and changes to the computation of taxes related to international operations. Based on our current analysis of these provisions, we do not believe these provisions will have a material impact on our business and our results of operations. However, regulations and other U.S. Internal Revenue Service guidance implementing the OBBBA may give rise to new issues that we did not foresee, and further changes to tax laws may be implemented. Therefore, there can be no assurance that our business will not be adversely affected by the OBBBA or any other tax law changes.

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, issued recommendations for a global minimum tax, and 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. The application and timing of BEPS 2.0 Pillar Two recommendations is determined on a country-by-country basis due to the need for each jurisdiction to enact their own statutes. In December 2022, South Korea enacted new global minimum tax rules to align with the OECD’s BEPS 2.0 Pillar Two. Countries in which we operate, such as Canada, have finalized and enacted legislation that became effective starting in 2024. The United States has not enacted BEPS 2.0 Pillar Two legislation and it is uncertain whether it will do so at a future date. While BEPS 2.0 Pillar Two legislation has not had an impact on the Company, it could significantly increase our future tax liabilities. We will continue to monitor regulatory developments to assess potential impacts to us.

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 corporate income taxes, and such taxes and fees are subject to increase or modification 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 jurisdictions where we operate have proposed (Arizona, Indiana, Pennsylvania, Michigan, West Virginia) or effected (Illinois, Louisiana, Maryland, New Jersey, Ohio) gaming tax rate increases or proposed additional taxes or withholdings (Colombia) in recent years. As recently as December 2025, the Colombian President issued an internal commotion (state of emergency) decree, pursuant to which he issued a decree temporarily imposing a 19% VAT tax on the revenue of operators of games of chance and luck operated over the internet and offered to players in Colombia. In January 2026, this temporary tax decree was preliminarily suspended by the Colombian Constitutional Court pending its final review. The Colombian courts may overturn that preliminary suspension and/or additional tax decrees may be issued. If enacted, these kinds of VAT taxes could negatively impact our margins in Colombia as well as our financial results. More generally, 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 operate internationally, 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, Peru, Serbia 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, Peruvian, Serbian, 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. In Colombia, the Colombian President issued an internal commotion (state of emergency) decree, pursuant to which he issued a decree temporarily imposing a 19% VAT tax on the revenue of online gaming activity in Colombia conducted by operators of games of chance and luck operated over the internet. In January 2026, this temporary tax decree was preliminarily suspended by the Colombian Constitutional Court pending its final review. The Colombian courts may overturn that preliminary suspension and/or additional tax decrees may be issued. If enacted, these kinds of VAT taxes could negatively impact our Colombian margins and financial results. For more information, see *“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.” 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, global trade wars and disputes, tariffs, terrorism and the potential for other hostilities such as the uncertainty and fragile cease fire 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. Furthermore, we may be more susceptible to these risk as we enter and continue to target growth in emerging countries and regions, including Latin America, which may be subject to a relatively higher risk of political instability, economic volatility, crime, corruption and social and ethnic unrest, all of which are exacerbated in many cases by a lack of an independent and experienced judiciary and uncertainties in how local law is applied and enforced. The materiality of any such risks could have an adverse impact on our financial condition, results of operations, cash flows and reputation.

Negative publicity 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 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. For instance, illegal betting activity by athletes could result in negative publicity for our industry and could harm our brand reputation. 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.

The success of our online poker offerings depends largely upon maintaining sufficient player liquidity.

Our online poker offerings are a peer-to-peer offering, meaning players play against each other instead of against the house. Consequently, the success of our online poker offerings largely depend on high levels of player liquidity (i.e., high levels of players available to play our online poker offerings at any given time). A significant reduction of this player

liquidity, or any legislative or regulatory measures taken that may reduce that liquidity, could have a material adverse impact on the attractiveness of those products as well as eroding their competitive strengths. The occurrence of any event causing an adverse impact on the player liquidity available to our online poker offerings could result in a reduction in the number of customers who are willing to use these products and services, which, if it were to arise to a material degree, could have a material adverse effect on our ability to generate sufficient gameplay, and thus revenue, from those offerings. We cannot provide assurance that we will be able to attract and maintain sufficient player liquidity in our online poker products. Certain states, including Delaware, Michigan, Nevada, New Jersey, Pennsylvania, and West Virginia, have joined the Multi-State Internet Gaming Agreement (the “MSIGA”) and enacted related legislation and regulations to permit interstate online poker operations, and it is likely that additional states will join the MSIGA in the future. It is also possible that Ontario could seek admission to the MSIGA by virtue of the Court of Appeal’s recent decision in that province permitting international liquidity in gaming there. That decision remains on appeal to the Supreme Court of Canada but if allowed to stand, it would provide a platform for Ontario to pursue MSIGA admission, among other liquidity based opportunities. Online poker platforms that operate in more than one of the states that have joined MSIGA can combine their player liquidity from across these states, thus potentially making their offerings more attractive to players. As a result, we may face increased competition if our online poker offerings are available in these states, including from competitors that operate in more of these states than us.

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 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. To the extent 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.

Until fairly recently, we had a history of losses and we could incur losses in the future.

Since our formation in 2012 until fairly recently, we had experienced net losses and negative cash flows from operations. Although we have recently experienced profitability and positive cash flows from operations, we could incur losses again in the future, some of which may be significant, and we cannot guarantee that we will maintain or increase our level of profitability. 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 maintain or increase our level of profitability. 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.

Risks Related to Government Regulation

Our business is subject to numerous U.S. and foreign laws and regulations, 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.

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 e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. Additionally, 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. Further, we and our market access partners (where applicable) are subject to various reporting and anti-money laundering regulations. 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. Additionally, 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 16 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, Mexico and Peru.

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 successfully penetrate such new jurisdictions or 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 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, which can be time-consuming and 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.

Additionally, in June 2024, the U.S. Supreme Court reversed its longstanding approach of judicial deference to administrative interpretations of laws and regulations. This outcome could materially and adversely affect rule making and existing agency regulations, and it is uncertain how lower courts will apply the decision in the context of other regulatory schemes without more specific guidance from the U.S. Supreme Court. For example, the U.S. Supreme Court’s decision could significantly impact consumer protection, advertising, privacy, artificial intelligence, anti-corruption and anti-money laundering practices and other regulatory regimes with which we are required to comply.

Future legislative and regulatory action, 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. 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 (if any), 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, country and province privacy laws, many of which give new data privacy rights to their respective residents (including, for example, 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 Europe, Latin America, Canada, 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, the United Kingdom, Canada, and/or Latin American regions.

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 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.

Our growth prospects depend on the legality of real-money gaming in various jurisdictions, and legalization may not occur in as many 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.

Numerous 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 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 jurisdictions where such games are legalized, our future growth could be materially impaired.

North and Latin American jurisdictions, whether at the federal, 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 unforeseen adverse impacts on projected revenues or costs associated with the new opportunity. For example, certain 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. Jurisdictions with government-run monopolies may limit opportunities for private sector participants like us. Jurisdictions 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 product taxes apply to various measures of modified gross profit, tax rates, whether federal-, provincial- 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.

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.

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 to regulate and 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, 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 other 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 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 were to find any of our officers, directors, personnel or significant stockholders unsuitable for licensing or for continuing 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. 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 and in such number and class(es)/series of equity interests as 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. Further, such gaming authorities may require us to terminate 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

Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breaches due to human error, malfeasance 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 and our business partners maintain significant amounts of electronic data 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 data and funds may be lost, disclosed, corrupted, accessed or taken without such individuals' consent. We provide confidential and proprietary data to our third-party partners and service providers when it 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 and expect to experience additional attempts in the future. 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 legitimate customers from accessing our offerings.

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 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, prevent or hinder 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, detect 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 or failures to detect or adequately respond to breaches of our security measures. These risks 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. More recently, in November 2024, a multinational gaming supplier experienced a data security incident involving unauthorized third-party access to its internal systems, which compromised sensitive personal information of over 100,000 individuals. 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.

Users may experience password or other compromises, whether related to our system or third-party systems, that enable an unauthorized party to obtain a customer's password to access or obtain 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, authorities and regulatory bodies, investigating the matter, and responding to any resulting litigation or regulatory investigations or action, which in turn, diverts resources from growing and expanding our business.

Damage and claims arising from a breach may not be completely covered by our applicable insurance, 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. 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, 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. For example, in October 2025, we were impacted by a widespread internet outage resulting from a DNS management failure at a leading cloud services provider and by separate major software and global routing disruptions at another cloud computing platform provider. 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 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 or disabling access to such 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 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, computing power, and possible increasing reliance on third-party providers, to meet 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 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 testing phases 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 or operational mistakes. Our business also may be subject to interruptions, delays or failures resulting from weather conditions, 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 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 these cases, we may need 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. 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 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 rely on products, technologies, customer databases 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 and/or employee data (wherever it resides) 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 promotions. 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, transfer and 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 enacted the California Consumer Privacy Act as amended by the California Privacy Rights Acts, a comprehensive privacy law, which provides some of the strongest U.S. privacy requirements to date. In addition, new privacy laws and requirements in various U.S. states, including in states where we offer real money gaming and where we have personnel, are continuing to come into effect each year.

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, 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.

We have incorporated and will likely continue to incorporate artificial intelligence (“AI”) solutions into our business, and applications of AI may become important in our operations over time. Our competitors or other third parties may incorporate AI into their product development, product offerings, and technology more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Third-party AI tools may be deemed to be infringing on third-party intellectual property rights (including as a result of being trained on unauthorized materials) or may contain insufficient safeguards, matters over which we have no or limited visibility or control. The use of 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.

Using AI (and, in particular, generative AI) can lead to unintended consequences, including the generation of outputs that appear correct but are factually inaccurate, misleading or are otherwise flawed, which could harm our reputation and business. The content, analysis, materials, software, recommendations and other outputs produced by AI (and, in particular, generative AI), may be subject to limited or no intellectual property or other proprietary protection. We may lose intellectual property and other proprietary rights in any data, content, confidential information, trade secrets or other materials that we provide as inputs to AI technology. If we are unable to assert proprietary rights in such outputs or inputs against use by third parties, we may experience competitive harm, and our financial condition and results of operations may be adversely affected. We may experiment with or deploy AI agents or other AI-enabled automation that can plan, make decisions, and take actions with reduced human prompting or oversight. Such autonomous systems may increase the risk of unintended, unauthorized or harmful outcomes, including where such systems interact with other systems or third-party tools, data sources or vendors.

Emerging ethical issues surround the use of AI or generative AI. 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.

AI is subject to a dynamic and rapidly evolving legal and regulatory environment, the extent and scope of which may in many instances be uncertain and may vary or conflict across jurisdictions. As a result, this 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 proposed, enacted or are considering laws or guidelines governing the development and use of AI, such as the European Union’s Artificial Intelligence Act (“EU AI Act”) and Colorado’s Artificial Intelligence Act. For example, the EU AI Act imposes a number of obligations on various parties related to the development and use of certain AI-based systems, and additional jurisdictions are beginning to adopt or prepare for adoption of similar laws. These laws may be more restrictive than the EU AI Act and 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-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, 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. Various national and local privacy laws also regulate tracking individuals who visit our websites and the use of tracking technologies, including pixels, web beacons and cookies. We are obligated to permit individuals to choose how we use and store their information. Failure to obtain cookie consent under laws may result in fines or otherwise limit our ability to use information and potentially limit our marketing and business strategies.

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, 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 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 our resources available to devote to other initiatives or growth opportunities, or to invest in maintaining 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-premises 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 and incidents, 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 like the October 2025 configuration issues caused by a leading cloud

services provider, which resulted in widespread internet outages that caused our online gaming platform to become inaccessible in several of the jurisdictions in which we operate, including Illinois, New Jersey, Michigan, West Virginia, Indiana, Pennsylvania, Louisiana and Peru, website hosting disruptions, power supply issues, 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' 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 inadvertently deny access to individuals who should be able to access them. Third-party geolocation services providers generally rely on 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 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, ACH bank transfers, e-wallets 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 mostly 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. Furthermore, sports leagues, teams and venues may enter into exclusive partnerships with our competitors, which could adversely affect our ability to engage in certain types of marketing and promotions, use certain league, team and venue logos, names and/or other intellectual property, and offer certain types of wagers. 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 performing due diligence and/or risks assessments, as well as 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, 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 manner or at all. In addition, our ability to process e-commerce transactions depends on bank processing and credit card systems. 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, lotteries 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

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.

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 to not 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. 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 holders of equity interests of RSILP (the “Sellers”) under the Business Combination Agreement (in such capacity, the “Sellers’ Representative”) and dMY Sponsor, LLC (the “Sponsor”) 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 does not have the right to designate any directors pursuant to the Investor Rights Agreement.

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 previously provided 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. Mr. Bluhm, our Executive Chairman and one of the Controlling Holders, has an indirect ownership interest in certain of our related parties, including RSG and 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 launch some or all of our offerings in new markets, 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, markets 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 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 Class A common units (the "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 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 some cases, these assumed rates may be significantly higher than the holders' actual tax rates. The amount of these tax distributions can be significant, in particular as RSILP's profitability increases, which could have a material adverse impact on our cash flows. 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 exchange their RSILP Units retained by them in connection with the Business Combination (the "Retained RSILP Units"), together with the cancellation of an equal number of shares of the Company's Class V common stock, par value \$0.0001 per share (the "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 determining 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, thus, 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.

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. Even if an active market for our securities 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 third-party debt;
- the volume of shares of our Class A Common Stock available for public sale;

- any major change in our Board or management;
- the timing, amount or duration of the Company’s stock repurchase program;
- 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, inflation, changes in tariffs, interest rates, actual or perceived instability in the global banking sector, 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, if any; 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 super majority 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, tariffs, 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 or increase over time. 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 reduced discretionary spending on leisure activities such as online casino and sports betting.

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, from time to time we increasingly face claims, lawsuits and other proceedings involving intellectual property, privacy and data protection, 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. Moreover, we cannot be sure our existing insurance coverage - including errors and omissions coverage - will continue to be available on acceptable terms or that our insurers will not deny coverage as to all or part of any future claim or loss. Any loss incurred could exceed policy limits, be below our applicable deductible or be denied coverage by the insurer for any number of reasons, 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.

Emerging technologies and products, such as sports-based prediction markets, blockchain and cryptocurrency, may disrupt traditional gaming models and create new competitive threats for us.

The gaming industry is constantly evolving, and emerging technologies have the potential to disrupt traditional business models and create new competitive landscapes. In recent years, sports-based prediction markets, blockchain technology and cryptocurrencies have gained significant attention for their potential applications in betting and gaming, such as trading on sports through event contracts, decentralized game asset ownership, secure in-game transactions and new monetization models. If these technologies and/or products gain widespread adoption, they could fundamentally change the way gaming platforms like ours operate.

Decentralized gaming platforms built on blockchain could offer players greater transparency, security and control over their in-game assets and rewards. This could potentially erode our value proposition and market share if players perceive these decentralized alternatives as more attractive or trustworthy. Moreover, the use of cryptocurrencies for in-game transactions and prize payouts could introduce new regulatory challenges and financial risks for us, such as volatility in cryptocurrency values and compliance with anti-money laundering regulations.

Sports-based prediction markets have recently emerged as a new offering in the online entertainment industry. These are a relatively new product and the regulatory and legal landscape for these products is evolving. Thus, while it may be too early to accurately determine what the longer-term impacts of these products will be on both our business and the industry more broadly, to date these offerings have focused on sports, which we would expect would have a larger negative impact on some of our competitors that focus on sports-first than us given that our focus is casino-first.

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.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our process for identifying, assessing and managing material risks from cybersecurity threats is part of our broader risk management system and processes. We use a risk management framework based on applicable laws and regulations and informed by industry standards and industry-recognized practices, for managing cybersecurity risks within our offerings, infrastructure and corporate resources. As part of our risk management process, we conduct application security assessments, vulnerability management, penetration testing, security audits and risk assessments. We also maintain a variety of incident response plans, playbooks and processes that are utilized if and when incidents are detected.

In addition, we have processes in place to govern our third-party vendor security risks. We generally gather information, either through independent research or through questionnaires, regarding certain third parties who contract with the Company and receive sensitive data from us or have access to or integrate with our systems, in order to help us assess potential risks associated with their security processes. We also generally require third parties to, among other things, maintain security controls to protect confidential information and data and notify us of data breaches that may impact our data through obligations that are documented in data processing or other agreements. In addition, we carry insurance that provides certain, limited protection against losses arising from a cybersecurity incident.

Internally, we have a security awareness program, which includes training that reinforces our information technology and security policies, standards and practices, and we require that our employees comply with these policies. The security awareness program offers training on how to identify potential cybersecurity risks and protect our resources and information. These trainings are mandatory for all employees and take place throughout the year, and are supplemented by testing initiatives, including periodic phishing tests. We also provide access to specialized training for certain employee roles, such as application developers. Finally, our privacy and data protection program requires employees to take periodic awareness training on data privacy. This training includes information about confidentiality and security, as well as responding to unauthorized access to or use of information.

From time to time, we engage assessors, consultants, auditors, or other third-party service providers to enhance risk mitigation efforts. For instance, we have performed simulations and tabletop exercises for our technical teams and senior leaders to prepare for a possible cyber crisis and incorporate external resources and advisors as needed. We also engage third-party consultants and service providers to assist with penetration testing, security audits and vulnerability assessments in certain jurisdictions.

While our full Board has overall responsibility for risk oversight and is currently overseeing our business continuity, regulatory and compliance risks, it is supported in this function by our Audit Committee, Compensation Committee and NCG Committee. Our Audit Committee periodically reviews our cybersecurity, information technology, data protection, privacy and compliance risk management, as well as performs other risk oversight functions. Through its regular meetings with management, including the accounting and finance, legal, internal audit, regulatory compliance and information technology and security functions, the Audit Committee reviews and discusses our cybersecurity risk management practices and policies and periodically updates the Board or relevant members or committees thereof, about any material risks and the appropriate mitigating factors.

Our Chief Technology Officer, who has engineering, operations, product, information technology and security knowledge, experience and skills gained over two decades of experience leading complex, large-scale global technology organizations across media, entertainment, sports and retail, our Chief Information Security Officer, who also has over two decades of cybersecurity experience in both public and private organizations, and certain members of their teams as well as

outside advisors who have cybersecurity experience are responsible for implementing and maintaining cybersecurity and data protection practices at the Company and reporting on cybersecurity matters to the relevant members of management. This team is supported, from time to time, by third-party consultants and service providers with specific areas of cybersecurity expertise. Management is responsible for identifying, assessing and managing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures, and maintaining cybersecurity policies and procedures. Management also regularly communicates cybersecurity risks and activities with other members of management and, as appropriate, to our Board or relevant members or committees thereof, including the Audit Committee.

We, like many other companies in the gaming and entertainment space, including some of our market access partners and suppliers, experience routine cybersecurity threats such as DDOS, phishing or social engineering attacks. While our business strategy, results of operations and financial condition have not been materially affected by risks from any such cybersecurity threats, including as a result of previously identified cybersecurity incidents, we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity related risks, see Item 1A Risk Factors of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

Our corporate headquarters are located in Chicago, Illinois, where we lease approximately 6,575 square feet of office space. We use this leased space primarily for management, marketing, finance, legal, regulatory compliance, human resources and general administrative teams. This lease is set to expire on April 30, 2027, subject to our option to extend the term for two successive years. We also lease office space in the United States (New Jersey and North Dakota), Colombia (Bogota and Medellín), Estonia (Tartu and Tallinn), Canada (Toronto) and Serbia (Belgrade).

We anticipate obtaining additional space as we continue to grow globally and increase headcount. We currently believe that our facilities are suitable and adequate to meet our needs for the immediate future, and that the productive capacity in such facilities is substantially being utilized, taking into consideration the needs of a more remote workforce, and that suitable additional space will be available to accommodate any expansion of our operations as needed.

ITEM 3. LEGAL PROCEEDINGS

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

In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial condition, results of operations or liquidity, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information & Stockholders

Our Class A Common Stock is quoted on the NYSE under the symbol "RSI". There is no public market for our Class V Voting Stock.

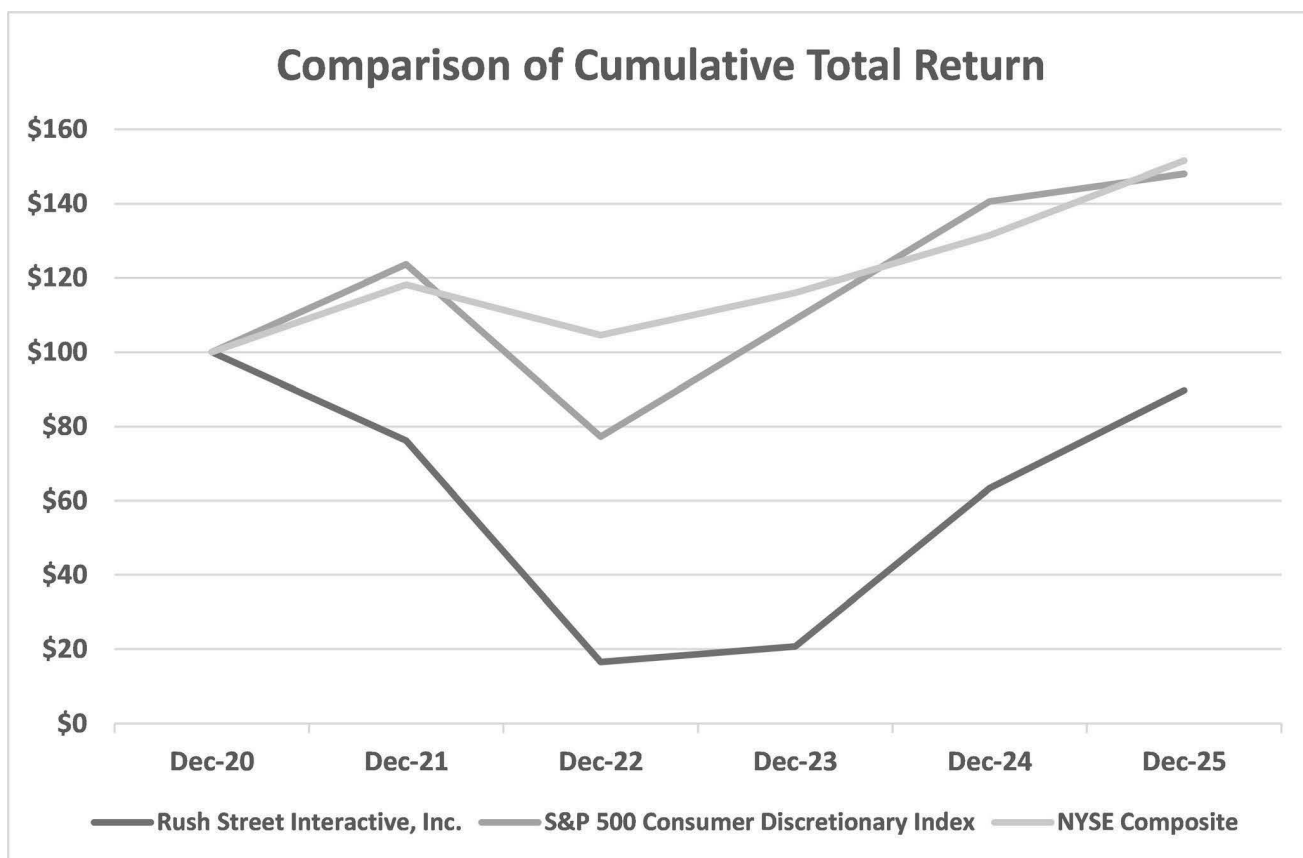
As of February 17, 2026, there were 26 holders of record of our Class A Common Stock and 17 holders of record of our Class V Voting Stock. The number of holders of record does not include a substantially greater number of “street name” holders or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

Dividend Policy

We have not paid any cash dividends on our shares of common stock to date and do not anticipate paying any cash dividends for the foreseeable future. The payment of cash dividends in the future will depend upon our revenues and earnings, if any, capital requirements and general financial condition as well as general business conditions. The payment of any cash dividends will be within the discretion of the Board at such time. However, our subsidiary, RSILP, is required under the RSILP A&R LPA make certain tax distributions to the RSILP partners. See “*Risk Factors — Risks Related to our Securities, Corporate Structure, Governing Documents and Tax Receivable Agreement — 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 expense*” and Note 12 to our consolidated financial statements, included elsewhere in this Annual Report, for additional information.

Stock Price Performance

The graph below compares the cumulative total stockholder return on our Class A Common Stock with the cumulative total return on the Standard & Poor’s (“S&P”) 500 Consumer Discretionary Index and the NYSE Composite Index. The graph assumes an initial investment of \$100 in our Class A Common Stock at the market close on December 31, 2020 through December 31, 2025. Data for the S&P 500 Consumer Discretionary Index and the NYSE Composite Index assume reinvestment of dividends. Total return equals stock price appreciation plus reinvestment of dividends. Historic stock price performance is not necessarily indicative of future stock price performance. Accordingly, we do not make or endorse any predictions as to future performance.



The foregoing performance graph shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, nor shall this information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into a filing.

	<u>December</u> <u>2020</u>	<u>December</u> <u>2021</u>	<u>December</u> <u>2022</u>	<u>December</u> <u>2023</u>	<u>December</u> <u>2024</u>	<u>December</u> <u>2025</u>
Rush Street Interactive, Inc.	\$100	\$76	\$17	\$21	\$63	\$90
S&P 500 Consumer Discretionary Index	\$100	\$124	\$77	\$109	\$141	\$148
NYSE Composite	\$100	\$118	\$105	\$116	\$131	\$151

Recent Sales of Unregistered Securities

None.

Securities Authorized for Issuance Under Equity Compensation Plans

See Part III, Item 12 of this Form 10-K and Note 7 to our consolidated financial statements, included elsewhere in this Annual Report, for additional information.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by, our consolidated financial statements and the related notes thereto included elsewhere in this Annual Report. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under the sections of this Annual Report captioned "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors."

This Management's Discussion and Analysis of Financial Condition and Results of Operations (this "MD&A") contains certain financial measures, in particular the presentation of Adjusted EBITDA, which are not presented in accordance with generally accepted accounting principles of the United States ("GAAP"). We present these non-GAAP financial measures because they provide us and readers of this MD&A with additional insight into our operational performance relative to earlier periods and relative to our competitors. These non-GAAP financial measures are not a substitute for any GAAP financial information. Readers of this MD&A should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures. Reconciliations of Adjusted EBITDA to Net Income (Loss), the most comparable GAAP measure, are provided in this MD&A.

Unless the context requires otherwise, all references in this MD&A to the "Company," "we," "us," or "our" refer to the Rush Street Interactive, Inc. and its subsidiaries.

Our Business

We are a leading online gaming and entertainment company that focuses primarily on online casino and online sports betting in the U.S., Canadian and Latin American markets. Our mission is to engage and delight players by delivering friendly, fun and fair betting experiences. In furtherance of this mission, we strive to create an online community for our customers where we are transparent and honest, treat our customers fairly, show them that we value their time and loyalty, and listen to feedback. We also endeavor to implement industry leading responsible gaming practices and provide our customers with a cutting-edge online gaming platform and exciting, personalized offerings that will enhance their user experience.

We provide our customers with an array of leading gaming offerings such as real-money online casino, online sports betting and retail sports betting (i.e., sports betting services provided at bricks-and-mortar locations), as well as social gaming, which involves free-to-play games using virtual credits that users can earn or purchase (where permitted). We launched our first social gaming website in 2015 and began accepting real-money bets in the United States in 2016. Currently, we offer real-money online casino, online sports betting and/or retail sports betting in 16 U.S. states and four international markets as outlined in the table found in "*Business — Overview*".

Our real-money online casino and online sports betting offerings are generally provided under our BetRivers and PlaySugarHouse brands in the United States and Canada and under our RushBet brand in Latin America (which includes Mexico). We operate and/or support retail sports betting for our bricks-and-mortar partners under our brands or our partners' respective brands depending on the terms of our arrangement. Many of our social gaming offerings are marketed under our own brands, although we also offer social gaming under our partners' brands as well. Our decision about what brand or brands to use is market- and partner-specific, and is based on brand awareness, market research, marketing efficiency and applicable gaming rules and regulations.

Our Business Model

We enter new markets by leveraging our proprietary online gaming platform and our ability to provide either a full-suite service model or a customized solution to fit a specific situation. Our business model is designed to be nimble, innovative and customer-centric. By leveraging our dynamic proprietary online gaming platform, we generally aim to be "first to market" where real-money online gaming has been newly legalized and where our management determines that it is desirable to enter such market.

We currently generate revenue through two operating models: (i) B2C and (ii) B2B. Through our primary operating model, B2C, we offer online casino, online sports betting, retail sports betting and social gaming directly to the end

customer through our websites, apps or physical retail locations. Our B2C operations contributed more than 99% and 98% of our total revenue for the years ended December 31, 2025 and 2024, respectively and we expect that it will continue to be our primary operating model into the future. While real-money transactions represent a majority of our B2C revenue, our social gaming offerings generally increase customer engagement and build online databases in key markets both before and after legalization and regulation. We believe our B2C model is flexible, permitting us to customize our operating structure based on applicable gaming regulations, market demands and, as applicable, our partner's operations. Through our B2B operations, we primarily offer retail sports betting services to land-based businesses, such as bricks-and-mortar casinos, in exchange for a monthly commission. B2C and B2B products can be launched under one of our existing brands or customized to be incorporated into a local or third-party brand.

Often in advance of markets legalizing online gaming, we build relationships with local bricks-and-mortar casino operators and other potential land-based partners who are seeking online gaming and sports betting partners. In most U.S. jurisdictions, the applicable gaming regulations require online gaming operators that offer real-money offerings to operate under the gaming license of, or partner with, a bricks-and-mortar casino, lottery or other type of local partner such as a professional sports team. Consequently, we leverage our relationships with bricks-and-mortar casinos and others in the gaming industry to find high-quality, reliable partners for online gaming collaboration. Upon securing a partner for access to a specific market (if required or desirable) and before we launch operations in that market, we customize our online gaming platform to comply with the laws and regulations of the jurisdiction. Then, upon entering a new market, we employ a number of marketing strategies to obtain new customers as well as leverage our partner's database when applicable. We continuously refine our offerings and marketing strategies based on data collected from each market. To attract, engage, retain and/or reactivate customers, we offer a loyalty program that rewards customers in exciting, fair and transparent ways. We recognize and reward customer loyalty by, among other things, ensuring there are exciting benefits at every customer loyalty level we offer.

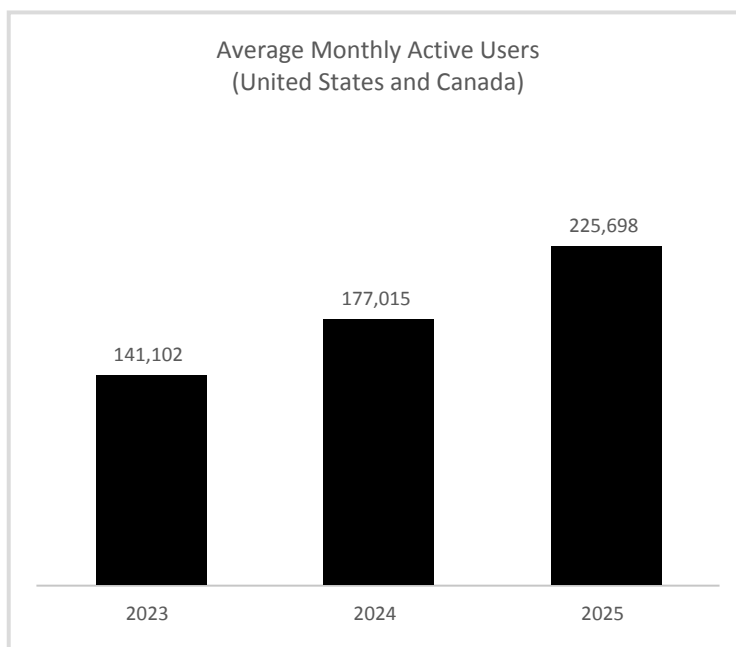
Trends in Key Metrics

Monthly Active Users

MAUs is the number of unique users per month who have placed at least one real-money bet across one or more of our online casino (including online poker) or online sports betting offerings. For periods longer than one month, we average the MAUs for the months in the relevant period. We exclude users who have made a deposit but have not yet placed a real-money bet on at least one of our online offerings. We also exclude users who have placed a real-money bet but only with promotional incentives.

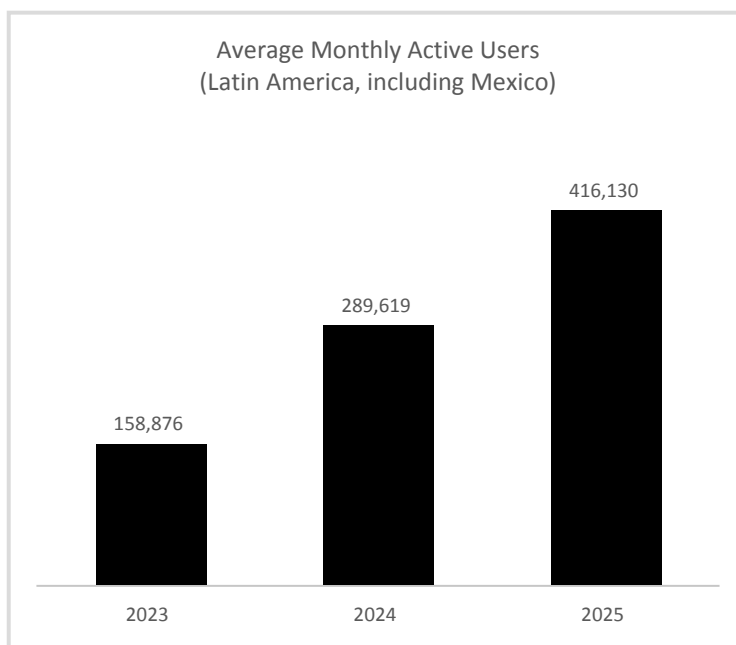
MAUs is a key indicator of the scale of our user base and awareness of our brands. We believe that year-over-year MAUs is also generally indicative of the long-term revenue growth potential of our business, although MAUs in individual periods may be less indicative of our longer-term expectations. We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

The chart below presents our average MAUs in the United States and Canada for the years ended December 31, 2025, 2024 and 2023:



The year-over-year increase in MAUs in the United States and Canada for 2025 compared to 2024, as well as for 2024 compared to 2023, was mainly due to our continued growth and strong customer retention rates in existing markets, and our continued achievement of positive response from our strategic advertising and marketing efforts. Additionally, the full year of operations in Delaware in 2024 significantly contributed to the year-over-year increase in MAUs for 2024 compared to 2023.

The chart below presents our average MAUs in Latin America (including Mexico) for the years ended December 31, 2025, 2024 and 2023:



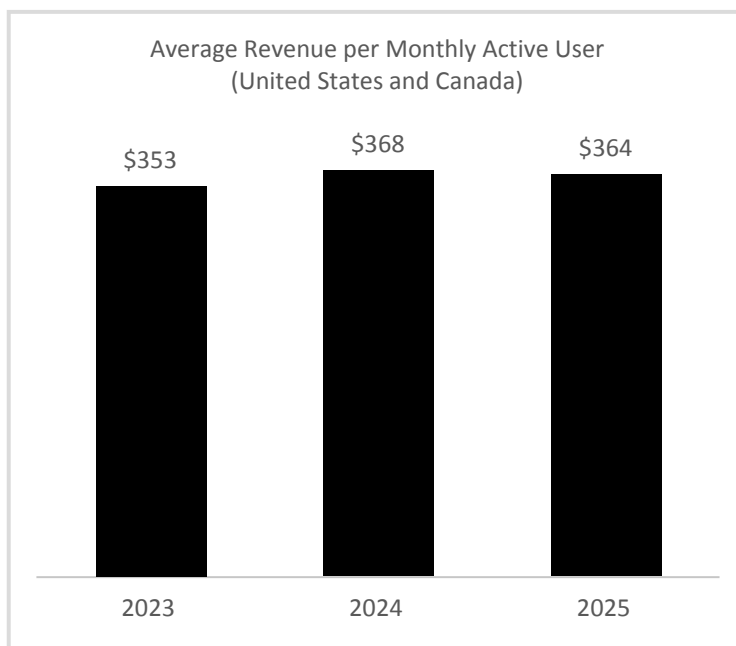
The year-over-year increase in MAUs in Latin America for 2025 compared to 2024, as well as for 2024 compared to 2023, was mainly due to our continued growth, strong customer retention rates, and our continued achievement of positive response from our strategic advertising and marketing efforts. In 2024, we also experienced an uplift in MAUs driven by

the Copa América soccer tournament in mid-2024 and our launch in Peru during the third quarter of 2024. Additionally, the full year of operations in Peru in 2025 contributed to the year-over-year increase in MAUs for 2025 compared to 2024.

Average Revenue Per Monthly Active User

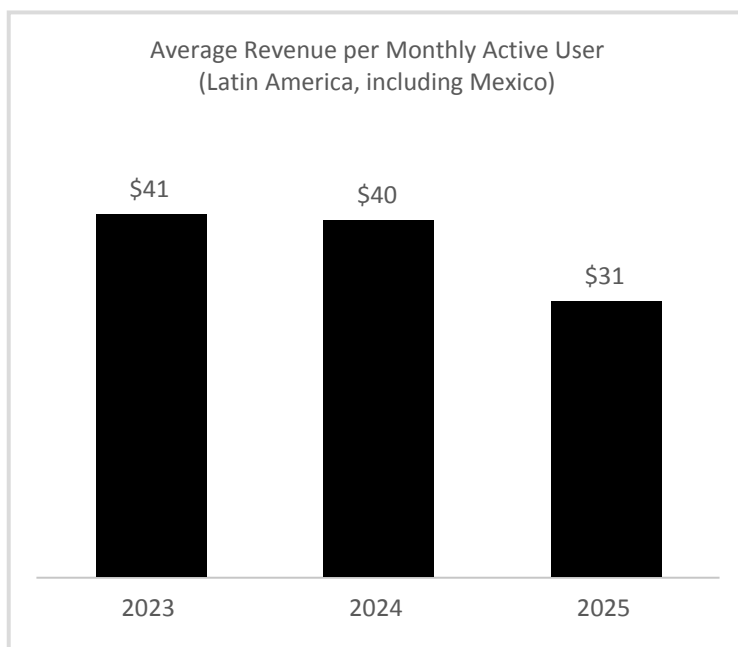
ARPMU for an applicable period is monthly revenue divided by average MAUs. This key metric represents our ability to drive usage and monetization of our online offerings.

The chart below presents our ARPMU in the United States and Canada for the years ended December 31, 2025, 2024 and 2023:



ARPMU remained generally flat in the United States and Canada for 2025 compared to 2024 while significantly increasing MAUs in the same period. This trend reflects the addition of new players, who typically generate lower ARPMU compared to more established players. The year-over-year increase for 2024 compared to 2023 was mainly due to MAU growth in online casino markets, including Delaware, outpacing that of sports betting only markets, the impact of our strategic advertising and marketing efforts and our focus on retaining quality players.

The chart below presents our ARPMAU in Latin America (including Mexico) for the years ended December 31, 2025, 2024 and 2023:



The year-over-year decrease in ARPMAU in Latin America for 2025 compared to 2024 was mainly driven by the negative impact of our additional player bonusing as a result of the value-added tax imposed on customer deposits in Colombia, which became effective during the year ended December 31, 2025. We generally maintained ARPMAU in Latin America at a roughly consistent level for 2024 compared to 2023, while significantly increasing MAUs in the same period. The Company experienced a significant increase in sports betting-only customers, during the 2024 Copa América soccer tournament, who generally generate less revenue per customer than customers who use online casino.

Non-GAAP Information

This MD&A includes Adjusted EBITDA, which is a non-GAAP performance measure that we use to supplement our results presented in accordance with GAAP. We believe Adjusted EBITDA provides useful information to investors regarding our results of operations and operating performance, as it is similar to measures reported by our public competitors and is regularly used by securities analysts, institutional investors and other interested parties in analyzing operating performance and prospects. Non-GAAP financial measures are not intended to be considered in isolation or as a substitute for any GAAP financial measures and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

We define Adjusted EBITDA as net income (loss) before interest, income taxes, depreciation and amortization, share-based compensation, adjustments for certain one-time or non-recurring items and other adjustments that are detailed in the reconciliation table below. Adjusted EBITDA excludes certain expenses that are required in accordance with GAAP because certain expenses are either non-cash or are not related to our underlying business performance.

We include Adjusted EBITDA because management uses it to evaluate our core operating performance and trends and to make strategic decisions regarding the distribution of capital and new investments. Management believes that Adjusted EBITDA provides investors with useful information on our past financial and operating performance, enables comparison of financial results from period-to-period where certain items may vary independent of business performance, and allows for greater transparency with respect to metrics used by our management in operating our business. Management also believes that Adjusted EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance.

The table below presents our Adjusted EBITDA reconciled from our Net income (loss), the most directly comparable GAAP measure, for the periods indicated:

(\$ in thousands)	Years Ended December 31,		
	2025	2024	2023
Net income (loss)	\$ 74,029	\$ 7,236	\$ (60,055)
Interest income, net	(9,273)	(7,493)	(2,765)
Income tax (benefit) expense	(85,108)	24,566	11,209
Depreciation and amortization	39,970	32,203	29,759
Share-based compensation	26,261	35,288	30,020
Change in tax receivable agreement liability	107,776	739	—
Adjusted EBITDA	\$ 153,655	\$ 92,539	\$ 8,168

Key Factors Affecting Our Results

Our financial position and results of operations depend, to a significant extent, on the following factors:

Industry Opportunity and Competitive Landscape

We operate within the global gaming and entertainment industry, which is comprised of diverse products and offerings that compete for consumers' time and disposable income. As we prepare to enter new jurisdictions, we expect to face significant competition from other existing industry players, some of which may have more experience in online casino, and online and/or retail sports betting or in one or more of the markets in which we operate or intend to operate, and have access to more resources. We believe that our proprietary online gaming platform, our experience operating in domestic and foreign jurisdictions, our brand and marketing strategies, which appeal to both male and female customers, and our many unique product offerings and bonusing features will enable us to compete with such existing industry players.

Our performance may vary from one jurisdiction to the next, resulting from the level of competition in each jurisdiction.

Legalization, Regulation and Taxation

Our financial growth prospects largely depend on our ability to make our online casino and sports betting offerings available in more jurisdictions, with particular emphasis on the United States and Latin America, a trend that we believe is still in its early stage. Online casino may expand further due to many factors, including that many U.S. states and foreign jurisdictions are seeking ways to increase revenues. In the United States, online sports betting's prospects were made possible after the U.S. Supreme Court struck down PASPA in May 2018. Our strategy is to enter new jurisdictions that we believe are financially prudent for us to enter. Online casino is currently authorized only in nine U.S. states: Connecticut, Delaware, Maine (although the market is not yet operating), Michigan, New Jersey, Pennsylvania, West Virginia, Rhode Island and Nevada (although regulators have not authorized online casino outside of physical casinos in Nevada). As of the date hereof, 39 states and the District of Columbia have authorized sports betting. Of those 40 jurisdictions, 32 states have authorized statewide online sports betting while 8 remain authorized for retail-only at casinos or retail locations. In Latin America, several countries, including Argentina, Ecuador, Brazil and Peru, are either exploring legalizing, expanding or regulating online casino and/or online sports betting, or have recently legalized these activities.

The process of securing the necessary licenses or partnerships to operate in a given jurisdiction may take longer or be more difficult than we anticipate. In addition, legislative or regulatory restrictions and gaming taxes may make it less attractive or more difficult for us to do business in a particular jurisdiction. Further, certain jurisdictions require us to have a relationship with a bricks-and-mortar casino or other land-based partner for online casino and/or sports betting access, which tends to increase our costs of revenue. Jurisdictions that have established state or government-run monopolies may limit opportunities for private operators such as us.

States, foreign jurisdictions and some local governments impose tax rates on online casino and sports betting, which may vary substantially between jurisdictions and may change from time to time, usually because of factors outside our control. We are also subject to a U.S. federal excise tax of 0.25% on the amount of each sports bet placed in the United

States. We believe the jurisdictions that will create the most compelling levels of profitability for us are jurisdictions with both online casino and sports betting at favorable tax rates.

Ability to Acquire, Retain and Monetize Customers

Our ability to effectively market is critical to operational success. Using experience, dynamic learnings and analytics, we leverage marketing to acquire, convert, retain and/or re-engage customers. 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, local advertising rules, 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, out-of-home (i.e., billboards, stadium signage), 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 to the extent possible. We believe there is significant benefit to having a flexible approach to advertising spending as we can quickly redirect our advertising spending based on dynamic testing of which advertising methods and channels are working and which ones are not. These investments and personalized promotions are intended to increase consumer awareness and drive engagement.

Managing Wagering Risk

The online casino and retail and online sports betting businesses are characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of online casino wager or retail or online 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 our offerings. We use the hold percentage as an indicator of an online casino game or retail or online sports 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 retail and online sports betting, may also be affected in the short term by factors that are largely beyond our control, such as unanticipated event outcomes, a customer's skill, experience and behavior, the mix of games played or bets placed, the financial resources of customers, the volume of bets placed and the amount of time spent betting. For online casino games, a random number generator outcome or game could malfunction and award errant prizes. For sports betting, our platform could erroneously posts odds or otherwise be misprogrammed to pay out odds that are highly favorable to bettors, and bettors place bets before the odds are corrected. Additionally, odds compilers and risk managers are capable of human error, so even if our betting products 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 retail and online sports bets may differ from the theoretical win rates we have estimated and could result in the winnings of our customers exceeding those anticipated. The variability of win rates (hold rates) also has the potential to adversely affect our business, financial condition, results of operations, prospects and cash flows.

Mix of Revenue Based on Time Period in Markets

Our profitability generally depends on how long we have been operating in each jurisdiction. Usually, but not always, our profitability levels will increase in a jurisdiction as we have operated there for longer.

Mix of Revenue From Our Different Operating Models

Because we operate using two different operating models, each with its own unique range of profitability, the relative proportion of revenue that is derived from each operating model in a given time period could impact our overall level of profitability.

Player Liquidity and Volume for Online Poker

The success, and ultimately the profitability, of online poker offering is generally dependent on high levels of player liquidity and volume of game play or tournament participation. In most cases, our profitability levels from our online poker offering will increase as more players participate and the aggregate amount of wagers increases.

Key Components of Revenue and Expenses

We currently offer real-money online casino, online sports betting and/or retail sports betting in 16 U.S. states, Colombia, Ontario, Canada, Mexico and Peru. We also provide social gaming, where users can earn or purchase (where permitted) virtual credits to enjoy free-to-play games.

Our revenue is predominantly generated from our U.S. and Canada operations, with the remaining revenue being generated from our Latin America (including Mexico) operations. See Note 3 to our consolidated financial statements, included elsewhere in this Annual Report. We generate revenue primarily through the following offerings:

Online Casino

Online casino offerings typically include the full suite of games available in bricks-and-mortar casinos, such as table games (i.e., blackjack and roulette), slot machines and poker games. For these offerings (other than online poker), similar to bricks-and-mortar casinos, we generate revenue through hold, or gross winnings, as customers play against the house. For our poker game offerings, like land-based card rooms that are typically incorporated in land-based casinos, we are generally not exposed to the risks of game play or the outcome of the game as players are not playing against the house but are instead playing against each other on a peer-to-peer basis. We generate revenue through rake, or a small commission taken from the total wagers placed on the hand, which is generally subject to a cap, and through tournament entry fees. Like bricks-and-mortar casinos, there is volatility with online casino, but as the number of bets placed increases, the revenue retained from bets placed becomes easier to predict. Our experience has been that online casino revenue is less volatile than sports betting revenue.

Our online casino offering consists of a combination of licensed content from leading industry suppliers, customized third-party games, our proprietary online poker platform and a small number of proprietary games that were developed exclusively for us. Third-party content is usually subject to standard revenue-sharing agreements specific to each supplier, where the supplier generally receives a percentage of the net gaming revenue generated from its casino games played on our platform. In exchange, we receive a limited license to offer the games on our platform to customers in permitted jurisdictions. We generally pay much lower fees on revenue generated through our proprietary casino games such as our multi-bet blackjack (with side bets: 21+3, Lucky Ladies, Lucky Lucky), and single-deck blackjack, which primarily relate to hosting/remote gaming server fees and certain intellectual property license fees.

With respect to online poker, player liquidity, or the number or volume of players with an operator, is critical to the success of the game, with a greater number of players supporting a wider range and greater volume of games and larger tournaments, thereby increasing the quality of the offering to the consumer. Our online poker offerings include a comprehensive suite of game formats, including cash games, sit & go tournaments, and multi-table tournaments, catering to players of all skill levels. Players play against each other in either ring games (i.e., games for cash on a hand-by-hand basis) or in tournaments (i.e., players play against each other for tournament chips with prize money distributed to the last remaining competitors) or variations thereof.

Online casino revenue (other than from online poker) is generated based on total customer bets less amounts paid to customers for winning bets, less incentives awarded to customers, plus or minus the change in the progressive jackpot reserve. Online casino revenue from online poker is recognized as rake (i.e., percentage of a game's wagers earned by the Company for satisfying the performance obligation) less any value given back to players, which could be in the form of cash, tournament tickets or other form of bonuses.

Online Sports Betting

Online sports betting involves a user placing a bet on the outcome of a sporting event, a sports-related activity or a series of the same, with the chance to win a pre-determined amount, often referred to as fixed odds. Online sports betting revenue is generated by setting odds such that there is a built-in theoretical margin in each sports bet offered to customers. While sporting event outcomes may result in revenue volatility, we believe that we can achieve a positive long-term betting win margin. In addition to traditional fixed-odds betting, we also offer other fixed-odd sports betting products including in-

game betting and multi-sport and same-game parlay betting. We have also incorporated live streaming of certain sporting events into our online sports betting offering. Integrated into our online sports betting platform is a third-party risk and trading platform currently provided by certain subsidiaries of Kambi Group plc.

Online sports revenue is generated based on total customer bets less amounts paid to customers for winning bets, less incentives awarded to customers, plus or minus the change in unsettled sports bets.

Retail Sports Betting

We provide retail sports betting services to certain land-based partners in exchange for a monthly commission that is calculated based on the land-based retail sportsbook revenue. Services generally include ongoing management and oversight of the retail sportsbook (i.e., within a bricks-and-mortar location), technical support for such partner's customers, risk management, advertising and promotion, and support for third-party sports betting equipment.

In addition, certain relationships with our partners provide us the ability to operate the retail sportsbook at the land-based partner's facility. In this scenario, revenue is generated based on total customer bets less amounts paid to customers for winning bets, less other incentives awarded to customers, plus or minus the change in unsettled retail sports bets.

Social Gaming

We provide social gaming where users can earn or purchase (where permitted) virtual credits to enjoy free-to-play games. Users who exhaust their credits can either purchase additional virtual credits from the virtual cashier, if permitted, or wait until their virtual credits are replenished for free. Virtual credits have no monetary value and can only be used within our social gaming platform.

Our social gaming business has three main goals: build online databases in key markets ahead of and post-legalization and regulation; generate revenues; and increase engagement and visitation to our bricks-and-mortar partner properties. Our social gaming products are a marketing tool that keeps the applicable brands present in the minds of our users and engages with users through another channel while providing the entertainment value that users seek. We also leverage our social gaming products to cross-sell to our real-money offerings in jurisdictions where real-money gaming is authorized.

We recognize deferred revenue when users purchase virtual credits and revenue when those credits are redeemed. We pay a percentage of the social gaming revenue derived from the sale and redemption of the virtual credits to content suppliers as well as to our land-based partners.

Costs and Expenses

Costs of Revenue. Costs of revenue consist primarily of (i) revenue share and market access fees, which is reduced by any consideration from the vendor, (ii) third-party platform and content fees, (iii) gaming taxes, (iv) payment processing fees and chargebacks and (v) salaries, bonuses, benefits and share-based compensation for dedicated personnel. These costs are primarily variable in nature and should, in large part, correlate with the change in revenue. Revenue share and market access fees consist primarily of variable amounts paid to local partners that hold the applicable gaming license, providing us the ability to offer our real-money online offerings in the respective jurisdictions. Our third-party platform and content fees are primarily driven by costs associated with third-party casino content, data and streaming, sports betting trading services, geolocation, know-your-customer and platform hosting. Gaming taxes include jurisdictional taxes that are determined based on a percentage of revenue (or similar metrics) or excise taxes that are determined based on a percentage of bets placed. We incur payment processing costs on player deposits, withdrawals and occasionally chargebacks (i.e., when a payment processor contractually disallows customer deposits in the normal course of business).

Sales and Marketing. Sales and marketing costs consist primarily of costs associated with marketing our products and services via different channels, promotional activities and the related costs incurred to acquire new customers. These costs also include salaries, bonuses, benefits and share-based compensation for dedicated personnel and are expensed as incurred.

Our ability to effectively market is critical to our success. Using experience, dynamic learnings and analytics, we leverage marketing to acquire, convert, retain and re-engage customers. 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. Further, 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, local advertising rules, 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, out-of-home (i.e., billboards, stadium signage), 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 primarily concentrated within the specific jurisdictions where we operate or intend to operate. We believe there is significant benefit to having a flexible approach to advertising spending as we can quickly redirect our advertising spending based on dynamic testing of our advertising methods and channels.

General and Administrative. General and administrative costs consist primarily of administrative personnel costs (including salaries, bonuses, benefits and share-based compensation), professional fees related to legal, compliance, accounting and consulting, indirect technology costs, rent expense, insurance costs and foreign exchange gains or losses.

Depreciation and Amortization. Depreciation and amortization expense consists of depreciation on our property and equipment and amortization of intangible assets (including market access licenses, gaming jurisdictional licenses, internally developed software, trademark, developed technology and other intangibles) and finance lease right-of-use assets over their useful lives. See Notes 2, 4, 5 and 13 to our consolidated financial statements, included elsewhere in this Annual Report.

Change in Tax Receivable Agreement Liability. The costs or adjustment to costs associated with the recognition of the TRA liability is recorded in Change in tax receivable agreement liability on the consolidated statements of operations. This cost or adjustment reflects changes in the estimated future payments under the TRA attributable to RSILP Unit exchanges completed prior to June 30, 2025. These prior exchanges increased our tax basis in our share of RSILP's underlying assets, giving rise to expected tax savings and corresponding TRA liability. RSILP Unit exchanges occurring after June 30, 2025 will not result in change in tax receivable agreement liability, as the associated increase in tax basis and the resulting TRA liability will be accounted for as equity transactions. See Note 9 to our consolidated financial statements, included elsewhere in this Annual Report.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the years indicated, and the changes between periods. We have derived this data from our consolidated financial statements included elsewhere in this Annual Report. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report. The results of historical periods are not necessarily indicative of the results of operations for any future period.

Comparison of the Years Ended December 31, 2025 and 2024

(\$ in thousands)	Years Ended December 31,		Change	
	2025	2024	\$	%
Revenue	\$ 1,134,428	\$ 924,083	\$ 210,345	23 %
Costs of revenue	741,664	602,036	139,628	23 %
Sales and marketing	164,650	158,590	6,060	4 %
General and administrative	100,720	106,206	(5,486)	(5) %
Depreciation and amortization	39,970	32,203	7,767	24 %
Income from operations	87,424	25,048	62,376	249 %
Change in tax receivable agreement liability	(107,776)	(739)	(107,037)	n/m
Interest income, net	9,273	7,493	1,780	24 %
(Loss) income before income taxes	(11,079)	31,802	(42,881)	(135) %
Income tax (benefit) expense	(85,108)	24,566	(109,674)	(446) %
Net income	\$ 74,029	\$ 7,236	\$ 66,793	923 %

*n/m means not meaningful

Revenue. Revenue increased by \$210.3 million, or 23%, to \$1,134.4 million in 2025 as compared to \$924.1 million in 2024. The increase was mainly due to and directly correlated with our continued growth across existing markets and expansion into new markets such as Peru, which launched in late July 2024. The increase reflects higher period-over-period online casino and sports betting revenue of \$210.4 million and social gaming revenue of \$0.3 million, which was partially offset by a decrease of retail sports betting revenue of \$0.4 million.

Costs of Revenue. Costs of revenue increased by \$139.6 million, or 23%, to \$741.6 million in 2025 as compared to \$602.0 million in 2024. The increase was mainly due to and directly correlated with, our expansion and continued growth as noted above. Gaming taxes, market access costs, payment processing costs, and operating expenses contributed \$56.4 million, \$46.3 million, \$23.5 million and \$13.2 million, respectively, to the year-over-year increase in costs of revenue, with personnel costs contributing to the remaining \$0.2 million of the year-over-year increase. Costs of revenue as a percentage of revenue remained flat at 65% for the years ended December 31, 2025 and 2024.

Sales and Marketing. Sales and marketing expense increased by \$6.1 million, or 4%, to \$164.7 million in 2025 as compared to \$158.6 million in 2024. The increase was primarily driven by higher marketing personnel costs and share-based compensation expense, which was partially offset by reduced marketing spend resulting from management's strategy to rationalize marketing spend as the North American and Latin American online gaming industries continue to mature. Sales and marketing expense as a percentage of revenue decreased to 15% in 2025 as compared to 17% in 2024.

General and Administrative. General and administrative expense decreased by \$5.5 million, or 5%, to \$100.7 million in 2025 as compared to \$106.2 million in 2024. The year-over-year decrease was primarily due to lower share-based compensation expense, which was partially offset by higher personnel and other administrative costs, consistent with the growth of our business. General and administrative expense as a percentage of revenue decreased to 9% in 2025 as compared to 11% in 2024.

Depreciation and Amortization. Depreciation and amortization expense increased by \$7.8 million, or 24%, to \$40.0 million in 2025 as compared to \$32.2 million in 2024. The increase was mainly due to additional costs to acquire internally developed software and other definite-lived intangible assets. Depreciation and amortization expense as a percentage of revenue increased to 4% in 2025 as compared to 3% in 2024.

Change in Tax Receivable Agreement Liability. Change in tax receivable agreement liability increased by \$107.0 million to \$107.7 million in 2025 as compared to \$0.7 million in 2024. The increase was associated with our initial recognition of a TRA liability upon realization of future tax benefits associated with the TRA.

Interest Income, Net. Interest income, net, increased by \$1.8 million, or 24%, to \$9.3 million in 2025 as compared to \$7.5 million in 2024. The increase in interest income was mainly attributed to higher amounts of cash held in interest-bearing accounts and money market funds as compared to the same period in 2024.

Income tax (benefit) expense. Income tax benefit was \$85.1 million during the year ended December 31, 2025 as compared to income tax expense of \$24.6 million during the year ended December 31, 2024. The change in Income tax (benefit) expense was primarily attributable to the release of a valuation allowance as it is more likely than not that some portion of the deferred asset may be realized.

Comparison of the Years Ended December 31, 2024 and 2023

A discussion of changes in our results of operations in 2024 compared to 2023 has been omitted from this Form 10-K, but it may be found in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 28, 2025, which is available free of charge on the SEC's website at www.sec.gov and at www.RushStreetInteractive.com.

Seasonality and Other Trends Impacting Our Business

Our results of operations may, and generally do, fluctuate due to seasonal trends and other factors such as level of customer engagement, 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 our ability to attract and retain customers. Customer engagement in our online offerings may vary due to, among other things, customer satisfaction with our platform, the number, timing and type of sporting events, the length of professional sports seasons, our offerings and marketing efforts and those of our competitors (including those not just in the online gaming industry but also in prediction markets or in the

entertainment industry broadly), other forms of entertainment available to our customers, weather conditions, public sentiment, an economic downturn or other economic factors such as inflation, economic uncertainty or macroeconomic conditions. As customer engagement varies, so may our financial performance.

The number and amount of betting losses and jackpot payouts we experience may also negatively impact our quarterly or annual financial results. Although our losses are limited per wager to a maximum payout, when looking at bets across 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, it is paid out and reset to a predetermined base amount. 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.

Our online sports betting and retail sports betting operations experience seasonality based on the relative popularity and frequency of certain sporting events. Although sporting events occur throughout the year, our online sports betting customers are most active during the NFL, NBA, college football and basketball seasons. With respect to our online sports betting and retail sports betting operations, customer activity tends to increase, and we may experience increased volatility, in connection with major sporting events such as the NFL super bowl, the NBA finals and NCAA basketball March Madness. In addition, sports betting activity is impacted by the occurrence of periodic events (e.g., World Cup, Copa América, UEFA, Olympics).

From a legislative perspective, we continue to see strong momentum to legalize and regulate online sports betting in new jurisdictions in the Americas. As expected, many of these new jurisdictions are first trying to legalize and regulate online sports betting before considering whether to legalize and regulate online casino. However, given the tax generation success of online casino in markets where it has been legalized, we also continue to see strong momentum for online casino in several jurisdictions in the Americas that are looking for additional revenue sources to fund expanding budgets. For example, in 2025 and thus far in 2026, several U.S. states introduced bills to legalize and regulate online casino. Earlier this year, one such bill in Maine became law enabling statewide wagering in partnership with certain Native American tribes, while others either remain pending, including a bill in Virginia that has received several favorable votes during this current legislative session. We believe this shows that there is strong interest in legalizing online casino. Additionally, we have seen governmental officials or legislative or regulatory bodies in certain jurisdictions in which we operate consider, and in limited cases to date, approve, increases in gaming-related taxes or other types of taxes on companies operating in the gaming industry. While it is unclear at this time if this will continue, any proposed legislation or other similar actions to increase existing taxes on online sportsbook and/or casino could negatively impact our business, profitability and cash flows.

We operate within the global gaming and entertainment industry, which is comprised of diverse products and offerings that compete for consumers' time and disposable income. We face and expect to continue to face significant competition from other industry players both within existing and new markets including from competitors with access to more resources, existing assets such as brands or databases, or experience. Customer demands for new and innovative offerings and features require us to continue to invest in new technologies, features and content to improve the customer experience. Many jurisdictions in which we operate or intend to operate in the future have unique regulatory and/or technological requirements, which require us to have robust, scalable networks and infrastructure, and agile engineering and software development capabilities. The global gaming and entertainment industry has seen significant consolidation, regulatory change and technological development over the last few years, and we expect this trend to continue into the foreseeable future, which may create opportunities for us but may also create competitive and margin pressures. We are starting to see some other online gaming operators rationalize their marketing spend in North American jurisdictions, although their marketing spend may vary by quarter depending on, among other things, sports calendars, new market launches and prior commitments.

Liquidity and Capital Resources

Our principal sources of liquidity are cash on hand and cash flows from operations. We regularly monitor our liquidity position, working capital needs and capital allocation strategy to ensure we maintain adequate resources to support our business operations, fund strategic initiatives and fulfill other corporate and contractual obligations, including those under our TRA and the amended and restated partnership agreement of RSILP (the "A&R Partnership Agreement").

As of December 31, 2025, we had \$336.3 million in cash and cash equivalents, excluding legally restricted customer cash deposits that we segregate from our operating cash balances. We intend to continue to finance our operations without third-party debt and entirely from operating cash flows and cash on our balance sheet.

Our current working capital needs relate mainly to supporting our existing businesses, the growth of these businesses in their existing markets and their expansion into other geographic regions, as well as our personnel's compensation and benefits. We expect our material cash requirements during the upcoming 12-month period to include \$18.3 million of non-cancellable purchase obligations with marketing vendors, \$4.1 million of minimum license and market access fees, and \$2.8 million of lease payments. We also have \$55.6 million of additional non-cancellable purchase obligations that will be due subsequent to the upcoming 12-month period. In addition, we will continue to pursue expansion into new markets, which is expected to require significant capital investments.

We are required to make payments equal to 85% of the tax benefits we realize in connection with the TRA. These obligations under the TRA, while mainly non-current in nature, reduce future operating cash flows as the associated tax benefits are realized. Although the actual timing and amount of any payments made under the TRA will vary, such payments may be significant. Any payments made under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us and, to the extent that payments required under the TRA are unable to be made for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid. To date, no material payments under the TRA have been made. Payments associated with the TRA liability are expected to include \$1.2 million in the next 12 months and additional obligations of \$128.8 million are expected subsequent to the upcoming 12-month period.

RSILP is a partnership for U.S. federal income tax purposes and, as such, taxable income will be allocated for U.S. federal income tax purposes to the holders of RSILP Units. The A&R Partnership Agreement requires RSILP to make tax distributions to holders of RSILP Units (including the Special Limited Partner) calculated at certain assumed rates. In some cases, these assumed rates may be significantly higher than the holders' actual tax rates. The amount of these tax distributions can be significant, in particular as RSILP's profitability increases, which will generally reduce the amount of overall cash flow that might have otherwise been available to us. To date, no material tax distribution payments have been made, and no material payments thereunder are expected in the next 12 months.

We expect our existing cash and cash equivalent and cash flows from operations to be sufficient to fund our operating activities and capital expenditure requirements for at least the next 12 months and thereafter for the foreseeable future. It is possible that we may need additional cash resources due to changed business conditions or other developments, including unanticipated regulatory developments, significant acquisitions, partnerships or marketing initiatives, deteriorating macroeconomic conditions and competitive pressures. We expect our capital expenditures and working capital requirements to continue to increase in the immediate future to support our growth as we seek to expand our offerings across more of North America, Latin America and worldwide, which will require significant investment in our online gaming platform and our personnel, in particular in product development, engineering and operations roles. See Note 14 of our consolidated financial statements, included elsewhere in this Annual Report for a summary of our commitments as of December 31, 2025. We also expect certain costs such as marketing, market access and license fees to increase to the extent we pursue expansion opportunities in new and existing jurisdictions. In particular, we are party to several non-cancelable contracts with vendors and licensors for marketing and other strategic partnerships, pursuant to which we are obligated to make future minimum payments under the non-cancelable terms of these contracts. Additionally, our continued profitability will trigger future quarterly tax distribution obligations payable to the limited partners of RSILP under the A&R Partnership Agreement. To the extent that our current resources are insufficient to satisfy our cash requirements, we may need to seek additional equity or debt financing. If the needed financing is not available, or if the terms of financing are less desirable than we expect, we may be forced to decrease our level of investment in new product, service or market launches and related marketing initiatives or to scale back our existing operations, which could have an adverse impact on our business and financial prospects. See Note 1 to our consolidated financial statements, included elsewhere in this Annual Report.

Surety Bonds

We had been issued \$31.3 million and \$31.1 million in surety bonds as of December 31, 2025 and 2024, respectively, that are used to satisfy regulatory requirements related to securing cash held on behalf of customers. In addition, we had also been issued \$6.4 million and \$6.1 million in surety bonds as of December 31, 2025 and 2024, respectively, to satisfy regulatory requirements necessary to operate in certain jurisdictions.

There have been no claims against any of our surety bonds and the likelihood of future claims is expected to be remote.

Debt and Letters of Credit

As of December 31, 2025 and 2024, we had no outstanding debt.

As of December 31, 2025 and 2024, we had an outstanding letter of credit for \$6.2 million and \$4.3 million, respectively, in connection with our operations in Colombia for which no amounts had been drawn.

Stock Repurchase Program

On October 24, 2024, our Board authorized the repurchase of an aggregate of up to \$50 million of our Class A Common Stock through open market purchases, privately negotiated transactions or other transactions in accordance with applicable securities laws (the “Stock Repurchase Program”).

During the years ended December 31, 2025 and 2024, we repurchased 733,019 and nil shares, respectively, of Class A Common Stock pursuant to the Stock Repurchase Program. The aggregate purchase price was approximately \$7.6 million during the year ended December 31, 2025 at an average price of \$10.41. The repurchased shares are considered issued but not outstanding.

Cash Flows

The following table shows our cash flows from operating activities, investing activities and financing activities for the stated periods:

(\$ in thousands)	Years Ended December 31,		
	2025	2024	2023
Net cash provided by (used in) operating activities	\$ 165,004	\$ 106,449	\$ (5,932)
Net cash used in investing activities	(37,016)	(33,363)	(33,780)
Net cash used in financing activities	(37,364)	(2,652)	(518)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	17,124	(8,655)	5,126
Net change in cash, cash equivalents and restricted cash	\$ 107,748	\$ 61,779	\$ (35,104)

A discussion of changes in cash flows in 2025 compared to 2024 is included below. A discussion of changes in cash flows in 2024 compared to 2023 has been omitted from this Form 10-K, but it may be found in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 28, 2025, which is available free of charge on the SEC’s website at www.sec.gov and at www.RushStreetInteractive.com.

Operating activities. Net cash provided by operating activities during 2025 increased by \$58.6 million to \$165.0 million, as compared to \$106.4 million during the same period in 2024. The increase was primarily due to higher period-over-period net income totaling \$66.8 million, which was partially offset by a decrease in non-cash expenses of \$6.2 million and changes in operating assets and liabilities of \$2.0 million. The decrease in non-cash expenses was driven primarily by the deferred income tax benefit of \$112.1 million and a decrease in share-based compensation expense totaling \$9.0 million, which was partially offset by change in tax receivable agreement liability, additional depreciation and amortization expense and non-cash lease expense of \$107.0 million, \$7.8 million and \$0.1 million, respectively.

Investing activities. Net cash used in investing activities during 2025 increased by \$3.6 million to \$37.0 million, as compared to \$33.4 million during 2024. The increase reflects higher cash paid for internally developed software totaling \$4.2 million and additional acquisitions of other intangible assets and developed technology totaling \$0.5 million and \$0.2 million, respectively. This was partially offset by lower period-over-period short-term investments, acquisition of gaming licenses and purchases of property and equipment of \$0.8 million, \$0.3 million and \$0.2 million, respectively.

Financing activities. Net cash used in financing activities during 2025 increased by \$34.7 million to \$37.4 million, as compared to \$2.7 million during 2024. The increase reflects higher payments of employee taxes related to net share

settlement of equity awards, repurchases of Class A Common Stock, payments of finance liabilities and payments for tax distributions to non-controlling interests totaling \$25.3 million, \$7.6 million, \$1.2 million, \$0.7 million, respectively, which was slightly offset by lower proceeds from exercise of stock options of \$0.1 million.

Effect of exchange rate changes on cash, cash equivalents and restricted cash. The net effect of exchange rate changes on cash, cash equivalents and restricted cash, when expressed in U.S. Dollar terms, was an increase of \$17.1 million for the year ended December 31, 2025 as compared to a decrease of \$8.7 million for the same period in 2024. These changes were due to fluctuations in foreign currency exchange rates (primarily the Colombian Peso) from period to period.

Critical Accounting Estimates

We have prepared our consolidated financial statements in accordance with GAAP. In doing so, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period. Management bases estimates on historical experience and other assumptions it believes to be reasonable under the circumstances and evaluates these estimates on an on-going basis. Actual results may differ from these estimates. A discussion of our more significant estimates follows. Management has discussed the development, selection and disclosure of these estimates and assumptions with the Audit Committee of the Board. See Note 2 to our consolidated financial statements, included elsewhere in this Annual Report for further information on our critical and other significant accounting policies.

Share-based Compensation

We have issued stock-based awards with service-based conditions or market-based conditions. Our historical and outstanding share-based compensation awards are described in Note 8 to our consolidated financial statements, included elsewhere in this Annual Report.

Share-based compensation expense is measured based on the grant-date fair value of the stock-based awards and is recognized over the requisite service period of the awards. To estimate the fair value of stock option awards, we used the Black-Scholes model, and we used a Monte Carlo simulation to determine the fair value of grants with market-based conditions. Both the Black-Scholes model and the Monte Carlo simulation require management to make a number of key assumptions, including expected volatility, expected term, fair value of our Class A Common Stock, risk-free interest rate and expected dividends. The risk-free interest rate is estimated using the rate of return on U.S. treasury notes with a life that approximates the expected term. The expected term assumption used in the Black-Scholes model is calculated using the simplified method as we have insufficient historical information regarding our stock options to provide a basis for an estimate. Under this approach, the expected term, which represents the period of time that the options are expected to be outstanding, is estimated using the midpoint between the requisite service period and the contractual term of the option. The fair value of our Class A Common Stock is determined based on the quoted market price.

The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of judgment. As a result, if factors or expected outcomes change and our management uses significantly different assumptions or estimates, our share-based compensation expense for future periods could be materially different, including as a result of adjustments to share-based compensation expense recorded for prior periods.

Income Taxes

We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are calculated by applying existing tax laws and the rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the year of the enacted rate change.

We regularly review our deferred tax assets, including net operating loss carryovers, for recoverability, and a valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset may not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible. In assessing the need for a valuation allowance, we make estimates and assumptions regarding projected future taxable income, our ability to carry back operating losses to prior periods, the reversal of deferred tax liabilities and the implementation of tax planning strategies. Based on historical pre-tax earnings

trends and assumptions about future performance, we expect to generate taxable income in future periods. Accordingly, we have determined that it is more-likely-than-not that certain deferred tax assets are realizable. As we reassess these assumptions in the future, changes in forecasted taxable income may alter this expectation and may result in an increase to the valuation allowance and an increase in the effective tax rate.

We account for uncertainty in income taxes using a recognition and measurement threshold for tax positions taken or expected to be taken in a tax return, which are subject to examination by applicable taxing authorities. The tax benefit from an uncertain tax position is recognized when it is more likely than not that the position will be sustained upon examination by taxing authorities based on technical merits of the position. The amount of the tax benefit recognized is the largest amount of the benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The effective tax rate and the tax basis of assets and liabilities reflect management's estimates of the ultimate outcome of various tax uncertainties. We recognize penalties and interest related to uncertain tax positions within the provision (benefit) for income taxes line in the accompanying consolidated statements of operations.

Tax Receivable Agreement

Pursuant to the TRA, the Special Limited Partner is required 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.

We evaluate the realizability of the deferred tax assets resulting from the exchange of RSILP Units for Class A Common Stock. If the deferred tax assets are determined to be realizable, we then assess whether payment of amounts under the TRA have become probable. If so, we record a TRA liability, generally equal to 85% of such deferred tax assets. In subsequent periods, we assess the realizability of all our deferred tax assets subject to the TRA. Should it be determined that a deferred tax asset with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and consideration of a corresponding TRA liability will be assessed. The realizability of deferred tax assets, including those subject to the TRA, is dependent upon the generation of future taxable income during the periods in which those deferred tax assets become deductible and consideration of prudent and feasible tax-planning strategies.

The measurement of the TRA liability is accounted for as a contingent liability. Therefore, once we determine that a payment becomes probable and can be estimated, the estimate of the payment will be accrued.

Recently Adopted and Issued Accounting Pronouncements

Recently issued and adopted accounting pronouncements are described in Note 2 to our consolidated financial statements included elsewhere in this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We operate primarily in the United States, Canada and Latin America. As such, we have been exposed in the past and may in the future be exposed to certain market risks, including interest rate, foreign currency exchange and inflation risks, in the ordinary course of our business. Currently, these risks are not material to our financial condition or results of operations, but they may be in the future.

Interest Rate Risk

As of December 31, 2025, we had cash, cash equivalents and restricted cash of \$340.5 million, which consisted primarily of bank deposits, certificates of deposits and money market funds. Such interest-earning instruments carry a degree of interest rate risk; however, due to the relatively short-term nature of these instruments, historical fluctuations of interest income have not been significant. The primary objective of our investment activities is to preserve principal and provide liquidity without significantly increasing risk. A 10% increase or decrease in the interest rates of these interest-earning instruments would not have a material effect on our consolidated financial statements for the year ended December 31, 2025.

Foreign Currency Exchange Rate Risk

We have been exposed to foreign currency exchange risk related to our transactions in currencies other than the U.S. Dollar, which is our reporting and functional currency for a majority of operations. We seek to naturally hedge our foreign exchange transaction exposure by matching the transaction currencies for our cash inflows and outflows. Currently, we do not otherwise hedge our foreign exchange exposure but may consider doing so in the future. Our foreign currency exposure is primarily with respect to the Colombian Peso, the Canadian Dollar, Mexican Peso and the Peruvian Soles. Markets with a functional currency other than the U.S. Dollar accounted for less than 20% of our revenue for each of the fiscal years ended December 31, 2025 and 2024. A 10% increase or decrease in the value of these currencies compared to the U.S. Dollar would not have a material effect on our consolidated financial statements for the year ended December 31, 2025.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations as of and for the fiscal year ended December 31, 2025. However, if our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and operating results. In addition, our customers may experience inflationary pressures and rising costs. This could result in our customers having less disposable income, and thus they may reduce their spending on discretionary entertainment activities such as our products and services. Such a reduction in spending by our customers could harm our business, financial condition, revenues and operating results.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See financial statements included in Item 15 “*Exhibits, Financial Statement Schedules*” of this Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), under the supervision and with the participation of management, including our Chief Executive Officer and our President and Chief Financial Officer, we have carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report. Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in reports that are filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified by the SEC. Based on such evaluation, our Chief Executive Officer and President and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the Company’s principal executive and principal financial officer and effected by the Company’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our independent registered public accounting firm, WithumSmith+Brown, PC has issued an attestation report on the Company’s internal control over financial reporting, which appears in Part II, Item 15 “Exhibits and Financial Statement Schedules” of this Annual Report.

Changes in Internal Control Over Financial Reporting

During the most recently completed fiscal quarter, there has been no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

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

ITEM 9B. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the three months ended December 31, 2025, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company’s securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement”, except as described in the table below:

Name and Title	Action	Date of Action	Duration of Trading Arrangements	Rule 10b5-1 Trading Arrangement? (Y/N) ¹	Aggregate Number of Securities Subject to Trading Arrangement
Paul Wierbicki, Chief Legal Officer and Director	Adopt	December 19, 2025	March 23, 2026 - April 1, 2027	Y	90,000

¹ Denotes whether the trading plan is intended, when adopted, to satisfy the affirmative defense of Rule 10b5-1 (c).

The trading arrangement reported above is subject to a number of conditions, including the price at which, and the time of when, purchases or sales may occur, and it is possible that a trading arrangement may not result in the purchase or sale of any or all of the aggregate number of securities covered by such trading arrangement during the term of the trading arrangement.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in our 2026 Proxy Statement, which is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be included in our 2026 Proxy Statement, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be included in our 2026 Proxy Statement, which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be included in our 2026 Proxy Statement, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be included in our 2026 Proxy Statement, which is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report

(a)1. Financial Statements

Consolidated Financial Statements of Rush Street Interactive, Inc. as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023.

Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets	F-4
Consolidated Statements of Operations	F-5
Consolidated Statements of Comprehensive Income (Loss)	F-6
Consolidated Statements of Changes in Stockholders' Equity	F-7
Consolidated Statements of Cash Flows	F-9
Notes to Consolidated Financial Statements	F-11

Financial statement schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission have been omitted because they are not required under the related instructions, not applicable or included in the consolidated financial statements or the notes thereto.

(3) Exhibits: The exhibits to this report are listed in the exhibit index below

(3)(b) Description of Exhibits

Exhibit Index	97
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Rush Street Interactive, Inc.

Opinion on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Rush Street Interactive, Inc. and Subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in 2013 Internal Control - Integrated Framework issued by COSO.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that responds to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Restricted Stock Units with Market-Based Conditions

Critical Audit Matter Description

As described in Note 8 to the consolidated financial statements, during the year ended December 31, 2025, the Company issued 0.4 million Restricted Stock Units ("RSUs") with market-based conditions that had a total fair value of \$6.0 million. Specific vesting conditions for these RSUs are based on the Company's total shareholder return relative to a peer group as defined in the grant agreement. The fair value of RSUs with market conditions was determined using a Monte Carlo simulation with the assistance of the Company's third-party valuation specialist. The Monte Carlo simulation requires the Company to make certain key assumptions, including expected volatility, expected term, and risk-free interest rate. Given the inherent uncertainties and application of judgment involved in the valuation of RSUs with market conditions, our audit procedures required a high degree of subjectivity, auditor judgment, involvement from our valuation specialists, and effort to evaluate managements conclusions.

Response

To address this matter, through our integrated audit approach, we performed both control testing as well as substantive audit procedures. We obtained an understanding, evaluated the design, and tested the operating effectiveness of management's controls over share-based compensation. We tested controls over management's review of the assumptions used with regards to the valuation of the RSUs with market-based conditions. We also tested management's controls to validate that data used in management's estimates in the valuation was complete and accurate. Our substantive audit procedures included, among other things, inspecting grant agreements and Board of Directors' minutes to evaluate the key terms of RSUs with market-

based conditions, testing the significant assumptions underlying the performance conditions, and testing the completeness and accuracy of key grant data—such as grant date, exercise price, and vesting conditions—by agreeing those inputs to source documents, including Board of Directors’ minutes and grant agreements. With the assistance of our valuation specialists, we evaluated management’s valuation of the RSUs with market-based conditions by evaluating the Monte Carlo valuation methodology and the reasonableness of the valuation assumptions, including the expected volatility, expected term, the risk-free interest rate, and correlation coefficients, and independently calculating a fair value estimate for the RSUs with market-based conditions. We tested management’s significant assumptions by comparing the assumptions to current market and economic trends, historical results of the Company’s business, and to other relevant factors. We also evaluated the adequacy of the Company’s share-based compensation disclosures included in Notes 2 and 8 of the consolidated financial statements in relation to these matters.

Capitalized Internally Developed Software Costs

Critical Audit Matter Description

As described in Note 2 to the consolidated financial statements, the Company capitalizes qualifying costs incurred to develop internal-use software when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and perform as intended. These capitalized costs include compensation for employees who develop internal-use software and external costs related to development and implementation of internal-use software. During the year ended December 31, 2025, the Company capitalized \$28.6 million of qualifying costs incurred to develop internal use software. As of December 31, 2025, the Company had \$43.6 million of unamortized internally developed software costs. Management applies judgment to estimate the costs incurred by its software engineers, specifically during the application development stage of capitalizable projects. Given the judgment required by management, our audit procedures required a high degree of auditor judgment, subjectivity, and effort to evaluate management’s conclusions.

Response

To address this matter, through our integrated audit approach, we performed both control testing as well as substantive audit procedures. We obtained an understanding, evaluated the design and tested the operating effectiveness of management’s controls over the Company’s capitalized internally developed software costs process. We tested controls over the Company’s process to review the time incurred by developers on each project and controls over management’s estimation of the labor costs to capitalize. To test the Company’s capitalized internally developed software costs, we obtained an understanding of management’s process for evaluating internally developed software costs and the nature of internal software development costs capitalized. We performed audit procedures that included, among other things, inspecting underlying documentation to evaluate whether the costs were capitalizable under the applicable accounting standards for a sample of projects. We interviewed technology and development project personnel to understand the objectives, nature, and status of the projects. During these interviews, we compared their responses on time spent on capitalizable projects to management’s estimates of capitalization percentages based on level and position, noting no inconsistencies. We also inspected underlying documentation and tested the data supporting the nature and amount of labor costs capitalized.

/s/ WithumSmith+Brown, PC

We have served as the Company’s auditor since 2020.

New York, New York
February 18, 2026

PCAOB ID Number 100

RUSH STREET INTERACTIVE, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except for share and per share amounts)

	December 31,	
	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 336,256	\$ 229,171
Restricted cash	4,248	3,585
Players' receivables	15,859	14,910
Due from affiliates	19,947	18,211
Prepaid expenses and other current assets	30,481	19,169
Total current assets	406,791	285,046
Intangible assets, net	76,436	77,347
Property and equipment, net	7,740	7,239
Operating lease assets	3,056	2,419
Deferred tax assets, net	157,862	522
Other assets	6,627	6,893
Total assets	\$ 658,512	\$ 379,466
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 41,585	\$ 25,798
Accrued expenses	81,514	72,702
Players' liabilities	47,669	43,703
Other current liabilities	39,506	20,927
Total current liabilities	210,274	163,130
Tax receivable agreement liability, non-current	128,819	739
Other non-current liabilities	15,928	17,281
Total liabilities	355,021	181,150
Commitments and contingencies (Note 14)		
Stockholders' equity		
Class A common stock, \$0.0001 par value, 750,000,000 shares authorized as of December 31, 2025 and 2024; 100,691,255 and 90,511,441 shares issued as of December 31, 2025 and 2024, respectively; 99,958,236 and 90,511,441 shares outstanding as of December 31, 2025 and 2024, respectively	10	9
Class V common stock, \$0.0001 par value, 200,000,000 shares authorized as of December 31, 2025 and 2024; 129,609,532 and 135,748,023 shares issued and outstanding as of December 31, 2025 and 2024, respectively	13	13
Treasury stock, at cost; 733,019 and nil shares as of December 31, 2025 and 2024, respectively	(3,177)	—
Additional paid-in capital	251,579	217,675
Accumulated other comprehensive income (loss)	1,431	(3,090)
Accumulated deficit	(102,621)	(135,929)
Total stockholders' equity attributable to Rush Street Interactive, Inc.	147,235	78,678
Non-controlling interests	156,256	119,638
Total stockholders' equity	303,491	198,316
Total liabilities and stockholders' equity	\$ 658,512	\$ 379,466

See accompanying notes to consolidated financial statements.

RUSH STREET INTERACTIVE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands except for share and per share amounts)

	<u>Year Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue	\$ 1,134,428	\$ 924,083	\$ 691,161
Operating costs and expenses			
Costs of revenue	741,664	602,036	465,014
Sales and marketing	164,650	158,590	160,650
General and administrative	100,720	106,206	87,349
Depreciation and amortization	39,970	32,203	29,759
Total operating costs and expenses	<u>1,047,004</u>	<u>899,035</u>	<u>742,772</u>
Income (loss) from operations	87,424	25,048	(51,611)
Other (expense) income			
Change in tax receivable agreement liability	(107,776)	(739)	—
Interest income, net	9,273	7,493	2,765
Total other (expense) income	(98,503)	6,754	2,765
(Loss) income before income taxes	(11,079)	31,802	(48,846)
Income tax (benefit) expense	(85,108)	24,566	11,209
Net income (loss)	74,029	7,236	(60,055)
Net income (loss) attributable to non-controlling interests	40,721	4,848	(41,750)
Net income (loss) attributable to Rush Street Interactive, Inc.	\$ 33,308	\$ 2,388	\$ (18,305)
Earnings (loss) per common share attributable to Rush Street Interactive, Inc. – basic	\$ 0.35	\$ 0.03	\$ (0.27)
Weighted average common shares outstanding – basic	95,825,421	81,784,916	68,508,093
Earnings (loss) per common share attributable to Rush Street Interactive, Inc. – diluted	\$ 0.31	\$ 0.03	\$ (0.27)
Weighted average common shares outstanding – diluted	236,118,275	88,415,067	68,508,093

See accompanying notes to consolidated financial statements.

RUSH STREET INTERACTIVE, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income (loss)	\$ 74,029	\$ 7,236	\$ (60,055)
Other comprehensive income (loss)			
Foreign currency translation adjustment, net of tax	13,006	(7,417)	5,290
Comprehensive income (loss)	87,035	(181)	(54,765)
Comprehensive income (loss) attributable to non-controlling interests	49,171	198	(38,111)
Comprehensive income (loss) attributable to Rush Street Interactive, Inc.	\$ 37,864	\$ (379)	\$ (16,654)

See accompanying notes to consolidated financial statements.

RUSH STREET INTERACTIVE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Amounts in thousands except for share amounts)

	Class A Common Stock		Class V Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity Attributable to RSI	Non- Controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at December 31, 2024	90,511,441	\$ 9	135,748,023	\$ 13	—	\$ —	217,675	\$ (3,090)	\$ (135,929)	\$ 78,678	\$ 119,638	\$ 198,316
Share-based compensation expense upon exercise of stock options	—	—	—	—	—	—	11,080	—	—	11,080	15,181	26,261
Issuance of Class A Common Stock under the equity compensation plan, net of shares withheld for employee taxes	44,253	—	—	—	—	—	77	—	—	77	99	176
Issuance of Class A Common Stock upon RSILP Unit Exchanges	3,997,070	1	—	—	—	(10,425)	—	—	—	(10,424)	(14,576)	(25,000)
Foreign currency translation adjustment, net of tax	6,138,491	—	(6,138,491)	—	—	—	—	—	—	—	—	—
Tax impact of equity transactions	—	—	—	—	—	—	—	4,556	—	4,556	8,450	13,006
Repurchase of Class A Common Stock	—	—	—	—	—	25,061	—	—	—	25,061	—	25,061
Tax distributions to non-controlling interests	—	—	—	—	733,019	(3,177)	—	—	—	(3,177)	(4,457)	(7,634)
Net income	—	—	—	—	—	—	—	—	33,308	33,308	40,721	74,029
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	—	8,111	(35)	—	—	8,076	(8,076)	—
Balance at December 31, 2025	100,691,255	\$ 10	129,609,532	\$ 13	733,019	\$ (3,177)	\$ 251,579	\$ 1,431	\$ (102,621)	\$ 147,235	\$ 156,256	\$ 303,491

	Class A Common Stock		Class V Common Stock		Additional Paid-in Capital		Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity Attributable to RSI	Non- Controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at December 31, 2023	72,387,409	\$ 7	150,434,310	\$ 15	192,163	\$ 13,058	(100)	\$ (138,317)	\$ 53,768	\$ 112,361	\$ 166,129
Share-based compensation upon exercise of stock options	—	—	—	—	—	—	—	—	13,058	22,230	35,288
Issuance of Class A Common Stock under the equity compensation plan, net of shares withheld for employee taxes	20,437	—	—	—	24	—	—	—	24	43	67
Issuance of Class A Common Stock upon RSILP Unit Exchanges	3,417,308	—	—	—	(1,167)	—	—	—	(1,167)	(1,820)	(2,987)
Foreign currency translation adjustment	14,686,287	2	(14,686,287)	(2)	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	(2,767)	—	(2,767)	(4,650)	(7,417)
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	13,597	(223)	—	—	13,374	(13,374)	—
Balance at December 31, 2024	90,511,441	\$ 9	135,748,023	\$ 13	217,675	\$ (3,090)	\$ (135,929)	\$ 78,678	\$ 119,638	\$ 198,316	

	Class A Common Stock		Class V Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity Attributable to RSI	Non- Controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2022	65,111,616	\$ 6	155,955,584	\$ 16	\$ 177,683	\$ (1,648)	\$ (120,012)	\$ 56,045	\$ 134,829	\$ 190,874
Share-based compensation	—	—	—	—	9,389	—	—	9,389	20,631	30,020
Issuance of Class A Common Stock under the equity compensation plan	1,754,519	—	—	—	—	—	—	—	—	—
Issuance of Class A Common Stock upon RSILP Unit Exchanges	5,521,274	1	(5,521,274)	(1)	—	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	1,651	—	1,651	3,639	5,290
Net loss	—	—	—	—	—	—	(18,305)	(18,305)	(41,750)	(60,055)
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	5,091	(103)	—	4,988	(4,988)	—
Balance at December 31, 2023	72,387,409	\$ 7	150,434,310	\$ 15	\$ 192,163	\$ (100)	\$ (138,317)	\$ 53,768	\$ 112,361	\$ 166,129

See accompanying notes to consolidated financial statements.

RUSH STREET INTERACTIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net income (loss)	\$ 74,029	\$ 7,236	\$ (60,055)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Deferred income tax	(112,220)	(143)	(255)
Change in tax receivable agreement liability	107,776	739	—
Depreciation and amortization expense	39,970	32,203	29,759
Share-based compensation expense	26,261	35,288	30,020
Noncash lease expense	999	891	697
Long-lived assets write-off	—	—	683
Changes in assets and liabilities:			
Players' receivables	(515)	(4,814)	658
Due from affiliates	(1,737)	15,261	2,433
Prepaid expenses and other assets	(7,978)	(7,765)	(228)
Accounts payable, accrued expenses and other liabilities	35,519	25,183	(9,267)
Players' liabilities	2,900	2,370	(377)
Net cash provided by (used in) operating activities	165,004	106,449	(5,932)
Cash flows from investing activities			
Internally developed software costs	(28,591)	(24,420)	(22,619)
Acquisition of gaming licenses	(3,777)	(4,081)	(7,279)
Acquisition of other intangibles	(2,627)	(2,075)	(765)
Short-term investments	(1,029)	(1,862)	(3,061)
Purchases of property and equipment	(767)	(925)	(1,291)
Acquisition of developed technology	(225)	—	—
Investments in equity securities	—	—	(470)
Proceeds from long-term time deposits	—	—	1,705
Net cash used in investing activities	(37,016)	(33,363)	(33,780)
Cash flows from financing activities			
Payments for employee taxes related to shares withheld	(26,464)	(1,160)	—
Repurchase of Class A Common Stock	(7,634)	—	—
Principal payments of finance lease liabilities	(2,718)	(1,559)	(518)
Tax distributions to non-controlling interests	(724)	—	—
Proceeds from exercise of stock options	176	67	—
Net cash used in financing activities	(37,364)	(2,652)	(518)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	17,124	(8,655)	5,126
Net change in cash, cash equivalents and restricted cash	107,748	61,779	(35,104)
Cash, cash equivalents and restricted cash, at the beginning of the year	232,756	170,977	206,081
Cash, cash equivalents and restricted cash, at the end of the year	\$ 340,504	\$ 232,756	\$ 170,977

	Year Ended December 31,		
	2025	2024	2023
Supplemental disclosure of noncash investing and financing activities:			
Right-of-use assets obtained in exchange for new or modified operating lease liabilities	\$ 1,349	\$ 1,582	\$ 210
Right-of-use assets obtained in exchange for new or modified finance lease liabilities	3,482	1,986	2,423
Allocation of equity and non-controlling interests upon changes in RSILP ownership	8,076	13,374	4,988
Shares withheld for employee taxes in Other Current Liabilities	363	1,827	—
Investing activities in Accounts Payable and Accrued Expenses	363	662	821
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	\$ 32,670	\$ 16,549	\$ 7,385
Cash paid for interest	918	908	938

See accompanying notes to consolidated financial statements.

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Rush Street Interactive, Inc. is a holding company organized under the laws of the State of Delaware and, through its main operating subsidiary, Rush Street Interactive, LP and its subsidiaries (collectively, “RSILP”), is a leading online gaming company that provides online casino and sports betting in the U.S., Canadian and Latin American markets. Rush Street Interactive, Inc. and its subsidiaries (including RSILP) are collectively referred to as “RSI” or the “Company”. The Company is headquartered in Chicago, Illinois.

RSI launched its first social gaming website in 2015 and began accepting real-money bets in the United States in 2016. The Company establishes and utilizes subsidiaries to facilitate its operations in jurisdictions where the Company is licensed to operate. In 2018, RSI also became the first U.S.-based online gaming operator to launch in Colombia, which was an early adopting Latin American country to legalize and regulate online casino and sports betting nationally. In addition, RSI launched its real-money offering in Canada and Mexico during the second quarter of 2022, and in Peru during the third quarter of 2024.

As of December 31, 2025, RSI offered real-money online casino, online sports betting and/or retail sports betting in the 16 U.S. states and four international jurisdictions as outlined in the table below.

Jurisdictions	Online Casino	Online Sports Betting	Retail Sports Betting
Domestic:			
Arizona		✓	
Colorado		✓	
Delaware	✓	✓	
Illinois		✓	✓
Indiana		✓	✓
Iowa		✓	
Louisiana		✓	
Maryland		✓	✓
Michigan	✓	✓	✓
New Jersey	✓	✓	
New York		✓	✓
Ohio		✓	
Pennsylvania	✓	✓	✓
Virginia		✓	✓
Washington			✓
West Virginia	✓	✓	
International:			
Colombia	✓	✓	
Ontario (Canada)	✓	✓	
Mexico	✓	✓	
Peru	✓	✓	

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the applicable rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The consolidated financial statements include the accounts of the Company, its direct and indirect wholly owned subsidiaries, and all entities in which the Company has a controlling interest. For consolidated entities that are less than wholly owned, third-party holdings of equity interests are presented as non-controlling interests in the Company’s consolidated balance sheets and consolidated statements of changes in stockholders’ equity. The portion of net income (loss) attributable to the non-controlling interests is presented as net income (loss) attributable to non-controlling interests in the Company’s consolidated statements of operations, while the portion of comprehensive income (loss) attributable to the non-controlling interests is reported as comprehensive income (loss) attributable to non-controlling interests in the Company’s consolidated statements of comprehensive income (loss). All intercompany accounts and transactions have been eliminated upon consolidation.

The assets and liabilities of RSILP represent substantially all of the Company’s consolidated assets and liabilities, except for certain deferred taxes and liabilities under the Tax Receivable Agreement (“TRA”). The Company’s equity interests in RSILP, comprised of Class A Units of RSILP (the “RSILP Units”) and General Partnership Interests of RSILP, are held indirectly through wholly owned subsidiaries of the Company – RSI ASLP, Inc. (the “Special Limited Partner”) and RSI GP, LLC (“RSI GP”), respectively. RSI is deemed to have a controlling interest of RSILP through RSI GP, which is the sole general partner of RSILP. As a result, the Company consolidates the financial results of RSILP and reports a non-controlling interest representing the economic interest in RSILP held by the other members of RSILP. As of December 31, 2025, the Company owned 43.54% of the RSILP Units and the holders of the non-controlling interest 56.46% of the RSILP Units.

Neil G. Bluhm and Richard Schwartz and their respective trusts and entities controlled or beneficially owned by them (collectively, the “Controlling Holders”) together as a group control a majority of the voting power of the Company’s outstanding common stock. As a result, RSI is a “controlled company” under the New York Stock Exchange’s corporate governance standards.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications had no impact on the Company’s reported total revenues, expenses, net loss, current assets, total assets, current liabilities, total liabilities, stockholders’ equity, non-controlling interests or cash flows. No reclassifications of prior period balances were material to the consolidated financial statements.

Liquidity and Capital Resources

The Company currently expects that its cash and positive operating cash flows will be sufficient to fund its operating expenses and capital expenditure requirements for at least 12 months from the date of issuance of this report based on future spend assumptions. The Company generated cash inflows from operations of \$165.0 million and \$106.4 million for the years ended December 31, 2025 and 2024, respectively, and experienced cash outflows from operations of \$5.9 million for the year ended December 31, 2023.

The Company had working capital totaling \$196.5 million as of December 31, 2025.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates and assumptions reflected in the consolidated financial statements relate to and include, but are not limited to, the valuation of share-based awards and acquired intangibles; internally developed software; long-lived assets and investments in equity; the estimated useful lives of property and equipment and intangible assets; redemption rate assumptions associated with the loyalty program and

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

other discretionary player bonuses; accrued expenses; determination of the incremental borrowing rate to calculate certain operating lease liabilities and finance lease liabilities; and deferred taxes and amounts associated with the TRA entered into in connection with the closing on December 29, 2020 of the Business Combination (the “Closing”).

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the Chief Operating Decision Maker (“CODM”) in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one operating segment.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of highly liquid, unrestricted savings, checking, instant access internet banking accounts, money market funds and certificates of deposits with original maturities of 90 days or less at acquisition.

Restricted cash includes any cash and cash equivalents held by the Company that are legally restricted as to withdrawals or usage. This consists of certain deposits that are restricted under regulatory requirements. Regardless of whether customer deposits are legally restricted, the Company maintains separate bank accounts to segregate cash that resides in customers’ accounts from operational funds.

The following table reconciles cash and cash equivalents and restricted cash in the consolidated balance sheets to the totals shown on the consolidated statements of cash flows:

<i>(\$ in thousands)</i>	December 31,	
	2025	2024
Cash and cash equivalents ⁽¹⁾	\$ 336,256	\$ 229,171
Restricted cash	4,248	3,585
Total cash, cash equivalents and restricted cash	\$ 340,504	\$ 232,756

⁽¹⁾ The Company had cash equivalents of \$157.5 million and \$117.7 million as of December 31, 2025 and 2024, respectively. Cash equivalents are composed of money market funds and certificates of deposits with original maturities of 90 days or less. Money market funds of \$113.2 million and \$107.5 million as of December 31, 2025 and 2024, respectively, are valued using quoted market prices at period-end.

Players’ Receivables

Players’ receivables consist of cash deposits from customers that the Company has not yet received. Players’ receivables are reported at the amount that the Company expects to collect from customers, generally via third-party payment processors. These receivables arise due to the timing difference between a customer’s deposit and the Company’s receipt of that deposit from the payment processor. The amounts are generally outstanding for a short period of time. On a periodic basis, the Company evaluates its players’ receivables and establishes an allowance for credit losses based on a specific review of the accounts as well as historical collection experience and current economic conditions. No allowance for credit losses was recorded for the periods presented in these consolidated financial statements.

Due from Affiliates

Due from affiliates consists of amounts that are expected to be collected from certain affiliated land-based casino partners. In certain cases, the affiliate casino maintains the bank account that processes cash deposits and withdrawals for RSI customers. Accordingly, at any point in time, the Company will record a receivable from the affiliate, representing the Company’s total revenue (with RSI customers) that was collected by the affiliate, less consideration payable to the affiliate for use of its license, which is offset by any consideration received from the affiliate based on the terms of the applicable agreement. On a periodic basis, the Company evaluates the collectability of amounts due from affiliates and establishes an allowance for amounts not expected to be collected. No allowance was recorded for the periods presented in these consolidated financial statements. See Note 12 for disclosure on related parties.

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of prepaid expenses and short-term investments. Prepaid expenses consist of various advance payments for goods or services to be received in the future. These costs include insurance, subscriptions, marketing, other contracted services and deposits paid in advance. As of December 31, 2025 and 2024, the Company had prepaid expenses of \$9.5 million and \$5.5 million, respectively.

Short-term investments consist of certificates of deposits with original maturities greater than three months but not greater than one year. As of December 31, 2025 and 2024, the Company had short-term investments of \$6.2 million and \$4.3 million, respectively.

Property and Equipment, Net

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Leasehold improvements depreciation is computed over the shorter of the remaining lease term or estimated useful life of the asset. Additions and improvements are capitalized, while repairs and maintenance are expensed as incurred. Useful lives of each asset class are as follows:

Asset	Useful Life
Computers, software and related equipment	3 years
Furniture and fixtures	4 years
Operating equipment and servers	5 years
Leasehold improvements	Lesser of the lease terms or the estimated useful lives of the improvements, generally 1–10 years

Intangible Assets, Net

License Fees, Net

The Company incurs costs in connection with operating in certain jurisdictions, including license applications fees, upfront or fixed market access payments to strategic partners and related renewals or extensions. These costs are capitalized as an intangible asset and amortized over the estimated useful life of the asset using the straight-line method. In certain markets, the Company agrees to pay minimum market access royalties to its partner, which is considered an integral cost in connection with operating in certain jurisdictions. The Company records fixed minimum royalty payments as intangible assets with an offset to deferred royalty liabilities, both of which are included on the consolidated balance sheets. The Company’s access to operate in a particular market is often dependent upon the continued viability of its strategic partner in that market. The useful life is the period over which the asset is expected to contribute directly or indirectly to the Company’s cash flows. The remaining useful life of license fee intangible assets is evaluated at least annually.

Internally Developed Software

Software that is developed for internal use is accounted for pursuant to Accounting Standards Codification (“ASC”) 350-40, *Intangibles, Goodwill and Other - Internal-Use Software*. Qualifying costs incurred to develop internal-use software are capitalized when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and perform as intended. These capitalized costs include compensation for employees who develop internal-use software and external costs related to development and implementation of internal-use software. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Internally developed software is amortized using the straight-line method over an estimated useful life of three years. All other expenditures, including those incurred to maintain an intangible asset’s current level of performance, are expensed as incurred.

Developed Technology

The Company capitalizes acquired intellectual property as developed technology intangible assets in accordance with ASC 350-30, *General Intangibles Other Than Goodwill*. The assets are recognized in Intangible assets, net, on the Company’s consolidated balance sheets and are amortized over the estimated useful life of four to eight years using the straight-line method.

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other Intangibles

The Company capitalizes costs associated with the purchases of trademarks, software licenses and customer lists, and the development and production of media content in accordance with ASC 350, *Intangibles - Goodwill and Other*. The assets are included in Intangible assets, net, on the Company's consolidated balance sheets as of December 31, 2025 and 2024 and are amortized over the estimated useful life of one to five years using the straight-line method.

Investments in Equity

The Company accounts for investments in equity that are within the scope of ASC 321-10, *Investments - Equity Securities* ("ASC 321-10"), as either (1) investments with a readily determinable fair value, which are recorded at fair value or (2) investments without a readily determinable fair value, which are recorded at cost less any impairment. Equity investments that are initially concluded to not have a readily determinable fair value are reassessed at each reporting period. If the Company identifies observable price changes in orderly transactions for the identical or a similar investment of the same issuer, it measures the equity security at fair value as of the date that the observable transaction occurred using valuation techniques that are permitted under ASC 820, *Fair Value Measurement*.

As of December 31, 2025 and 2024, the Company had investments in equity of \$2.0 million. The equity investments are accounted for in accordance with ASC 321-10, and the Company accounts for the equity investments at cost less impairment because there are no readily determinable fair values for these investments as of December 31, 2025 and 2024. No impairment was recorded during the years ended December 31, 2025 and 2024. The investments are recognized in Other assets on the Company's consolidated balance sheets.

Impairment of Long-Lived Assets

The Company's long-lived assets primarily consist of property and equipment, operating lease right-of-use assets, finance lease right-of-use assets and finite-lived intangible assets (i.e., license fees, internally developed software, developed technology and other intangibles).

The Company evaluates long-lived assets for indicators of impairment quarterly or when events or changes in circumstances indicate that their carrying amounts may not be recoverable. The factors that would be considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the long-lived asset is used and the effects of obsolescence, demand, competition and other economic factors. If indicators of impairment are identified, the Company performs an undiscounted cash flow analysis of the long-lived assets. Asset groups are written down only to the extent that their carrying value is lower than their respective fair value. Fair values of the asset group are determined by discounting the cash flows at a rate that approximates the cost of capital of a market participant.

Players' Liabilities

The Company's players' liabilities include liabilities for customer account balances, incremental progressive jackpot reserves, and expected future payouts relating to customers' unredeemed bonus store points and unused discretionary bonus incentives. Customer cash account balances consist of customer deposits, cash winnings and pending cash wagers, less customer cash losses, withdrawals and tax withholdings. The Company's restricted cash balance, players' receivables balance and the value of surety bonds held for the benefit of customers will equal or exceed the customer cash account balances.

Deferred Royalty

The Company records liabilities for minimum royalty payments related to licensing and market access agreements. These liabilities are recorded on the consolidated balance sheets at the present value of future payments discounted using a rate that reflects the duration of the applicable agreement. The deferred royalty liability is accreted through interest expense in the Company's consolidated statements of operations. The Company classifies deferred royalty liabilities as either current or non-current liabilities based on the timing of future payments, and amounts are included in the Company's consolidated balance sheets under Other current liabilities or Other non-current liabilities, depending on their classification.

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Surety Bonds

The Company had been issued \$31.3 million and \$31.1 million in surety bonds as of December 31, 2025 and 2024, respectively, that are used to satisfy regulatory requirements related to securing cash held for the benefit of customers. Additionally, the Company had also been issued \$6.4 million and \$6.1 million in surety bonds as of December 31, 2025 and 2024, respectively, to satisfy regulatory requirements necessary to operate in certain jurisdictions.

There have been no claims against any of the Company's surety bonds and the likelihood of future claims is remote.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of operating cash, restricted cash, cash equivalents, and short-term investments. The Company maintains cash, restricted cash, cash equivalents, and short-term investments within separate bank accounts across multiple financial institutions. Any loss incurred, or a lack of access, to such funds could have a significant adverse impact on the Company's financial condition, results of operations and cash flows. Although the Company maintains balances with certain institutions in excess of the federally insured limits, the Company is not subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. As of December 31, 2025 and 2024, the Company has not experienced losses on these accounts.

Leases

The Company determines whether an arrangement is or contains a lease at contract inception. The Company accounts for leases in accordance with ASC 842, *Leases*, under which arrangements meeting the definition of a lease are classified as operating or finance leases and are recorded on the consolidated balance sheets as both a right-of-use asset and a lease liability.

The Company elects to apply the practical expedient that allows for the combination of lease and non-lease components for all asset classes. The lease classification evaluation begins at the lease commencement date. The lease term used in the evaluation includes the non-cancellable period for which the Company has the right to use the underlying asset, together with renewal option periods when the exercise of the renewal option is reasonably certain.

For leases with an initial term greater than 12 months, a related lease liability is recorded on the consolidated balance sheets at the present value of future payments discounted using the interest rate implicit in the lease and if not determinable, the estimated fully collateralized incremental borrowing rate (discount rate) corresponding with the lease term. In addition, a right-of-use asset is recorded as the initial amount of the lease liability, plus any lease payments made to the lessor before or at the lease commencement date and any initial direct costs incurred, less any tenant improvement allowance incentives received. Tenant incentives are amortized through the right-of-use asset as a reduction of lease expense over the lease term. The difference between the minimum rents paid and the straight-line rent is reflected within the associated right-of-use asset. Certain leases contain provisions that require variable payments consisting of common area maintenance costs (i.e., variable lease cost). Variable lease costs are expensed as incurred. The Company made an accounting policy election to exclude any short-term lease (i.e., leases with a term of twelve months or less) from the balance sheets. Short-term lease expense is recognized on a straight-line basis over the lease term.

When the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate corresponding with the lease term. As the Company does not have any outstanding debt, this rate is determined based on prevailing market conditions and comparable company and credit analysis. The discount rate is reassessed upon a modification that is not accounted for as a separate contract.

Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, when control of the promised goods or services is transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company determines revenue recognition through the following steps:

- Identify the contract with the customer

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when, or as, the Company satisfies a performance obligation

The Company's revenue from contracts with customers consists of online casino, online sports betting, retail sports betting and social gaming.

Online casino and online sports betting

Online casino offerings typically include the full suite of games available in land-based casinos, such as table games (i.e., blackjack and roulette), slot machines and poker games. The Company generates revenue from these offerings (other than online poker) through hold, or gross winnings, as customers play against the house. Online casino revenue other than from online poker is generated based on total customer bets less amounts paid to customers for winning bets, less other incentives awarded to customers, plus or minus the change in the progressive jackpot liability. Online casino revenue from online poker is recognized as rake (i.e., percentage of a game's wagers earned by the Company for satisfying the performance obligation) less any value given back to players, which could be in the form of cash, tournament tickets or other form of bonuses.

Online sports betting involves a user placing a bet on the outcome of a sporting event, sports-related activity, or a series of the same, with the chance to win a pre-determined amount, often referred to as fixed odds. Online sports betting revenue is generated by setting odds such that there is a built-in theoretical margin in each bet offered to customers. Online sports betting revenue is generated based on total customer bets less amounts paid to customers for winning bets, less other incentives awarded to customers, plus or minus the change in unsettled bets.

The Company provides various incentives to promote customer engagement, many of which allow customers to place bets without using their own funds. For some incentive programs, benefits are provided to customers based only on past play and represent an option that grants the customer a material right. Other benefits that are provided to customers are more discretionary in nature and may not be related to the customer's level of play.

Performance obligations related to online gaming (other than from online poker) and sports betting transactions include (1) servicing the customer's bet, which is fulfilled when the outcome of the bet is known and (2) transferring additional goods or services to a player for which the Company has received consideration, such as bonus store points or other discretionary bonus incentives. The Company's performance obligations related to online poker include operating games and tournaments in compliance with established rules, calculating results, and distributing payouts based on those results.

Bonus store points as well as discretionary bonus incentives, such as bonus money and bonus bets (collectively referred to herein as "customer bonuses") are recognized as a reduction to revenue upon issuance of the incentive and as revenue upon redemption by the customer. Reductions to revenue include estimates for the stand-alone selling price of customer bonuses and the percentage of customer bonuses that are expected to be redeemed. The expected redemption percentage is based on historical redemption patterns and considers current information or trends. The estimated redemption rate is evaluated each reporting period. The Company does not believe that there is a reasonable likelihood that there will be a material change in the future estimates or assumptions used to calculate the estimated redemption rate. Adjustments to earnings resulting from revisions to management's estimates of the redemption rates have not been material during the years ended December 31, 2025 and 2024.

Progressive jackpots related to online casino jackpot games are accrued and charged to revenue at the time the obligation to pay the jackpot is established. The progressive jackpot liability is recorded in Players' liabilities on the consolidated balance sheets.

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Retail sports betting

The Company provides retail sports services to land-based partners in exchange for a monthly commission based on that partner's retail sportsbook revenue. Services generally include ongoing management and oversight of the retail sportsbook, technical support for the partner's customers, risk management, advertising and promotion, and support for third-party vendors' sports betting equipment. The Company has a single performance obligation to provide retail sports services and records the revenue as services are performed and when the commission amounts are no longer constrained (i.e., the amount is known).

Certain relationships with business partners provide the Company the ability to operate the retail sportsbook. In this scenario, revenue is generated based on total customer bets less amounts paid to customers for winning bets, less other incentives awarded to customers, plus or minus the change in unsettled retail sports bets and unclaimed retail tickets for settled retail bets.

Social gaming

The Company provides a social gaming platform for users to enjoy free-to-play games that use virtual credits. While virtual credits are issued to users for free, some users may choose, where permitted, to purchase additional virtual credits through the Company's virtual cashier. The Company has a single performance obligation associated with social gaming services, to provide social gaming services to users upon the redemption of virtual credits. Deferred revenue is recorded when users purchase virtual credits and revenue is recognized when the virtual credits are redeemed, and the Company's performance obligation has been fulfilled.

Certain costs to obtain or fulfill contracts

Pursuant to the accounting guidance, certain costs to obtain or fulfill a contract with a customer must be capitalized to the extent recoverable from the associated contract margin, and subsequently amortized as the products or services are delivered to the customer. These costs are capitalized as contract acquisition costs and are amortized over the period of benefit to the customer. For the Company, the period of benefit has been determined to be less than or equal to one year. As such, the Company applied the practical expedient and contract acquisition costs are expensed immediately. Customer contract costs that do not qualify for capitalization as contract fulfillment costs are expensed as incurred.

Contract balances

Contract assets and liabilities represent the differences in timing between the fulfillment of the Company's performance obligations and the receipt of cash from the Company's customers. The Company does not have material contract assets. The Company's contract liabilities consist of deferred revenue.

Deferred revenue represents wagered amounts that relate to unsettled or pending outcomes, such as a future sports bet. The Company recognizes revenue once the outcome of the bet is settled and fixed. Deferred revenue also includes contract liabilities for the Company's obligation to transfer additional goods or services to a customer for which the Company has received consideration, such as bonus store points. The Company recognizes breakage on these liabilities proportionately as redemption occurs. Revenue recognized relating to breakage during the years ended December 31, 2025 and 2024 was not material to the consolidated financial statements.

Deferred revenue relating to unsettled customer bets and unredeemed customer incentives is recorded in Players' liabilities on the consolidated balance sheets.

Deferred revenue relating to the Company's social gaming services includes virtual credits purchased by users but not yet redeemed and is recorded in Other current liabilities on the consolidated balance sheets.

Principal versus agent considerations

The Company evaluates the criteria outlined in ASC 606-10-55, *Principal versus Agent Considerations*, in determining whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commissions. When the Company is the principal in a transaction and controls the specific good or service before it is transferred to the customer, revenue is recorded gross; otherwise, revenue is recorded on a net basis. The Company controls

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the promised goods or services for online casino and sports betting transactions, retail sports betting transactions and social gaming services, and as a result records related revenue on a gross basis. For retail sports service arrangements, the Company does not control the promised goods or services and, therefore, records the net amount of revenue earned as a commission.

Costs of Revenue

Costs of revenue consist primarily of (i) revenue share and market access fees, which is reduced by any consideration received from the vendor, (ii) third-party platform and content fees, (iii) gaming taxes, (iv) payment processing fees and chargebacks and (v) salaries, bonuses, benefits and share-based compensation for dedicated personnel. These costs are primarily variable in nature and should, in large part, correlate with the change in revenue. Revenue share and market access fees consist primarily of variable amounts paid to local land-based partners that hold the applicable gaming license, providing the Company the ability to offer real-money online offerings in the respective jurisdictions. The Company's third-party platform and content fees are primarily driven by costs associated with third-party casino content, data and streaming, sports betting trading services, geolocation, know-your-customer and platform hosting. Gaming taxes include jurisdictional taxes that are determined based on a percentage of revenue (or similar metrics) or excise taxes that are determined based on a percentage of bets placed. The Company incurs payment processing costs on player deposits, withdrawals and occasionally chargebacks (i.e., when a payment processor contractually disallows customer deposits in the normal course of business).

Sales and Marketing

Sales and marketing costs consist primarily of marketing the Company's products and services via different channels, promotional activities and the related costs incurred to acquire new customers. These costs also include salaries, bonuses, benefits and share-based compensation for dedicated personnel and are expensed as incurred.

General and Administrative

General and administrative costs consist primarily of administrative personnel costs (including salaries, bonuses, benefits and share-based compensation), professional service fees related to legal, compliance, accounting and consulting, indirect technology costs, rent expense, insurance costs, indirect taxes in foreign jurisdictions, and foreign exchange gains or losses.

Share-Based Compensation

The Company records share-based compensation in accordance with ASC 718, *Compensation—Stock Compensation*, and recognizes share-based compensation expense in the period in which a grantee is required to provide service, which is generally over the vesting period of the individual share-based payment award. Compensation expense for awards with performance conditions is not recognized until it is probable that the performance target will be achieved. Compensation expense for awards is recognized over the requisite service period on a straight-line basis. The Company accounts for forfeitures as they occur.

The Company classifies unit awards as either an equity award or a liability award depending on whether the award contains certain repurchase provisions. Equity-classified awards are valued as of the grant date based upon the price of the underlying unit or share and a number of assumptions, including volatility, performance period, risk-free interest rate and expected dividends. Liability-classified awards are valued at fair value at each reporting date.

Income Taxes

Rush Street Interactive, Inc. is a corporation and, as a result, is subject to U.S. federal, state and foreign income taxes.

RSILP is treated as a partnership for U.S. federal income tax purposes and therefore does not pay U.S. federal income tax on its taxable income. Instead, the RSILP unitholders, including the Company, are liable for U.S. federal income tax on their respective shares of RSILP's taxable income reported on the unitholders' U.S. federal income tax returns. RSILP is liable for income taxes in those states not recognizing its status as a partnership for U.S. federal income tax purposes.

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The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are calculated by applying existing tax laws and the rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the year of the enacted rate change.

The Company recognizes deferred tax assets to the extent it believes these assets are more-likely-than-not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

The Company accounts for uncertainty in income taxes using a recognition and measurement threshold for tax positions taken or expected to be taken in a tax return, which are subject to examination by applicable taxing authorities. The tax benefit from an uncertain tax position is recognized when it is more-likely-than-not that the position will be sustained upon examination by taxing authorities based on technical merits of the position. The amount of the tax benefit recognized is the largest amount of the benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The effective tax rate and the tax basis of assets and liabilities reflect management's estimates of the ultimate outcome of various tax uncertainties. The Company recognizes penalties and interest related to uncertain tax positions within Income tax (benefit) expense line in the accompanying consolidated statements of operations.

Tax Receivable Agreement

In connection with the Business Combination, the Special Limited Partner entered into the TRA, which generally provides for the payment by it of 85% of certain net tax benefits, if any, that the Company (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 under the Business Combination Agreement and the exchange of Retained RSILP Units for Class A Common Stock (or cash at the Company's option) 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 obligation of the Special Limited Partner and not of RSILP. 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, the market price of the Class A Common Stock at the time of the exchange and the amount and timing of the recognition of the Company's and its 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 the Company's control, the Company expects that the payments the Special Limited Partner will make under the TRA will be substantial and could have a material adverse effect on the financial condition of the Company.

The Company evaluates the realizability of the deferred tax assets resulting from the exchange of RSILP Units for Class A Common Stock. If the deferred tax assets are determined to be realizable, the Company then assesses whether payment of amounts under the TRA have become probable. If so, the Company records a TRA liability, generally equal to 85% of such deferred tax assets. In subsequent periods, the Company assesses the realizability of all of its deferred tax assets subject to the TRA. Should it be determined that a deferred tax asset with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and consideration of a corresponding TRA liability will be assessed. The realizability of deferred tax assets, including those subject to the TRA, is dependent upon the generation of future taxable income during the periods in which those deferred tax assets become deductible and consideration of prudent and feasible tax-planning strategies.

The measurement of the TRA liability is accounted for as a contingent liability. Therefore, once the Company determines that a payment becomes probable and can be estimated, the estimate of the payment are accrued. The Company classifies recognized TRA liability as either current or non-current liabilities based on the timing of future payments, and amounts are included in the Company's consolidated balance sheets under Other current liabilities or Tax receivable agreement liability, non-current, depending on their classification.

The costs or adjustment to costs associated with the recognition of the TRA liability is recorded in Change in tax receivable agreement liability on the consolidated statements of operations. This cost or adjustment reflects changes in the estimated future payments under the TRA attributable to RSILP Unit exchanges completed prior to June 30, 2025. These

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prior exchanges increased the Company's tax basis in its share of RSILP's underlying assets, giving rise to expected tax savings and corresponding TRA liability. RSILP Unit exchanges occurring after June 30, 2025 will not result in change in tax receivable agreement liability, as the associated increase in tax basis and the resulting TRA liability will be accounted for as equity transactions.

Earnings (Loss) Per Share

Basic earnings (loss) per share of Class A Common Stock is computed by dividing net income (loss) attributable to RSI by the weighted-average number of shares of Class A Common Stock outstanding during the same period.

Diluted earnings (loss) per share of Class A Common Stock is computed by dividing net income (loss) attributable to RSI, adjusted for the assumed exchange of all potentially dilutive securities, by the weighted-average number of shares of Class A Common Stock outstanding adjusted to give effect to potentially dilutive shares. The dilutive effect of outstanding awards or financial instruments, if any, is reflected in diluted earnings (loss) per share by application of the treasury stock method or if-converted method, as applicable.

Foreign Currency

The Company's reporting currency is the U.S. dollar while the functional currency of subsidiaries not deemed to be the U.S. dollar includes the Colombian Peso, Mexican Peso, Canadian Dollar and Peruvian Soles. The financial statements of non-U.S. subsidiaries are translated into U.S. dollars in accordance with ASC 830, *Foreign Currency Matters*, using period-end exchange rates for assets and liabilities, and average exchange rates for the period for revenues, costs, and expenses and historical exchange rates for equity. Translation adjustments resulting from the process of translating the local currency financial statements into U.S. dollars are included in determining other comprehensive income (loss).

If transactions are recorded in a currency other than the subsidiary's functional currency, remeasurement into the functional currency is required and may result in transaction gains or losses. Transaction (losses) gains were \$(0.9) million, \$(3.8) million and \$0.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. Amounts are recorded in General and administrative on the Company's consolidated statements of operations.

Fair Value Measurements

Fair value measurements are based on the premise that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the following three-tier fair value hierarchy has been used in determining the inputs used in measuring fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities on the reporting date.
- Level 2 – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow model and fund manager estimates.

Financial instruments measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The use of different assumptions and/or estimation methodologies may have a material effect on estimated fair values. Accordingly,

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the fair value estimates disclosed or initial amounts recorded may not be indicative of the amount that the Company or holders of the instruments could realize in a current market exchange.

As of December 31, 2025 and 2024, the recorded values of current assets and current liabilities approximate fair value due to the short-term nature of these instruments.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. A public entity is also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments also remove certain disclosures that are no longer considered cost beneficial. This ASU is effective for the Company in calendar year 2025. See Note 9, “Income Taxes” for additional information on the Company’s adoption of ASU 2023-09.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, to modernize the accounting guidance for the costs to develop software for internal use. ASU 2025-06 amends the existing standard that refers to various stages of a software development project to align better with current software development methods, such as agile programming. Under the new standard, entities will commence capitalizing eligible costs when (i) management has authorized and committed to funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform the intended function. The new standard also supersedes the guidance related to costs incurred to develop a website. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The amendments in this update permit an entity to apply the new guidance using a prospective, retrospective or modified transition approach. The Company early adopted ASU 2025-06 on a prospective basis effective for fiscal year beginning January 1, 2026 and the adoption did not have a material impact on its consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income-Expense Disaggregation (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The ASU requires the disclosure of additional information related to certain costs and expenses, including amounts of inventory purchases, employee compensation, and depreciation and amortization included in each income statement line item. The ASU also requires disclosure of the total amount of selling expenses and definition of selling expenses. The ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. The guidance is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. The Company is currently evaluating the impact of this ASU on its interim consolidated financial statements and does not expect the adoption of this ASU to have a material effect on its interim consolidated financial statements.

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3. Revenue Recognition

Disaggregation of revenue for the years ended December 31, 2025, 2024 and 2023 is as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Online casino and online sports betting	\$ 1,127,520	\$ 917,108	\$ 674,059
Retail sports betting	1,978	2,384	12,848
Social gaming	4,930	4,591	4,254
Total revenue	\$ 1,134,428	\$ 924,083	\$ 691,161

The following table presents the Company's revenue by geographic region for the years ended December 31, 2025, 2024 and 2023:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
United States and Canada	\$ 979,565	\$ 785,285	\$ 611,868
Latin America, including Mexico	154,863	138,798	79,293
Total revenue	\$ 1,134,428	\$ 924,083	\$ 691,161

Deferred revenue associated with online casino and online sports betting revenue and retail sports betting revenue includes unsettled customer bets and unredeemed customer incentives and is included within Player's liabilities in the consolidated balance sheets. The deferred revenue activity for the years ended December 31, 2025, 2024 and 2023 was as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Deferred revenue, beginning of period	\$ 10,814	\$ 7,013	\$ 7,840
Deferred revenue, end of period	11,690	10,814	7,013
Revenue recognized in the year from amounts included in deferred revenue at the beginning of the year	10,814	7,013	7,840

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4. Intangible Assets, Net

As set forth in the table below, intangible assets, net as of December 31, 2025 and 2024 are \$76.4 million and \$77.3 million, respectively. The Company has the following intangible assets, net as of December 31, 2025 and 2024:

<i>(\$ in thousands)</i>	Weighted Average Remaining Amortization Period (years)	Gross Carrying Amount	Accumulated Amortization	Net
License Fees				
December 31, 2025	5.96	\$ 52,262	\$ (26,305)	\$ 25,957
December 31, 2024	6.85	\$ 52,933	\$ (22,491)	\$ 30,442
Internally Developed Software				
December 31, 2025	2.08	\$ 96,898	\$ (53,272)	\$ 43,626
December 31, 2024	2.19	\$ 68,291	\$ (29,346)	\$ 38,945
Developed Technology				
December 31, 2025	3.90	\$ 6,381	\$ (3,078)	\$ 3,303
December 31, 2024	4.89	\$ 6,381	\$ (2,224)	\$ 4,157
Other Intangible Assets⁽¹⁾				
December 31, 2025	1.45	\$ 9,993	\$ (6,443)	\$ 3,550
December 31, 2024	2.08	\$ 7,373	\$ (3,570)	\$ 3,803

⁽¹⁾ Other intangible assets include trademarks, media content, customer lists and software licenses.

The Company recorded amortization expense on intangible assets of \$36.0 million, \$28.3 million and \$24.7 million for the years ended December 31, 2025, 2024 and 2023, respectively.

At December 31, 2025, estimated future amortization of intangible assets is as follows:

<i>(\$ in thousands)</i>	
Year ending December 31, 2026	\$ 31,993
Year ending December 31, 2027	21,596
Year ending December 31, 2028	10,340
Year ending December 31, 2029	4,594
Year ending December 31, 2030	3,828
Thereafter	4,085
Total	\$ 76,436

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5. Property and Equipment, Net

As set forth in the table below, property and equipment, net as of December 31, 2025 and 2024 are \$7.7 million and \$7.2 million, respectively. The balances as of December 31, 2025 and 2024 also include finance lease right-of-use assets, net. The balances consist of the following:

<i>(\$ in thousands)</i>	December 31,	
	2025	2024
Computers, software and related equipment	\$ 5,280	\$ 4,427
Operating equipment and servers	3,450	3,231
Furniture	1,344	1,143
Leasehold improvements	1,881	1,797
Property and equipment not yet placed into service	—	199
Total property and equipment	11,955	10,797
Less: accumulated depreciation	(9,510)	(7,732)
	2,445	3,065
Finance lease right-of-use assets	10,527	7,041
Less: accumulated amortization	(5,232)	(2,867)
	5,295	4,174
Property and equipment, net	\$ 7,740	\$ 7,239

The Company recorded depreciation expense on property and equipment of \$1.6 million, \$2.1 million and \$3.8 million for the years ended December 31, 2025, 2024 and 2023, respectively. The Company recorded amortization expense on finance lease right-of-use assets of \$2.4 million, \$1.8 million and \$1.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

6. Accrued Expenses and Other Liabilities

As set forth in the table below, accrued expenses as of December 31, 2025 and 2024 are \$81.5 million and \$72.7 million, respectively. The following table provides a summary of the accrued expenses at December 31, 2025 and 2024:

<i>(\$ in thousands)</i>	December 31,	
	2025	2024
Accrued compensation and related expenses	\$ 18,120	\$ 17,218
Accrued operating expenses	39,311	32,427
Accrued marketing expenses	20,689	17,959
Accrued administrative expenses	2,690	4,319
Accrued other expenses	704	779
Total accrued expenses	\$ 81,514	\$ 72,702

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The Company has the following other current and non-current liabilities as of December 31, 2025 and 2024:

<i>(\$ in thousands)</i>	December 31, 2025		December 31, 2024	
	Other Current Liabilities	Other Non- current Liabilities	Other Current Liabilities	Other Non- current Liabilities
Income tax payable	\$ 11,404	\$ —	\$ 15,009	\$ —
Other taxes payable ⁽¹⁾	20,816	—	2,131	—
Deferred royalty liabilities	1,838	8,742	1,814	10,581
Finance lease liabilities	1,434	1,954	1,296	1,297
Operating lease liabilities	991	1,753	673	1,370
Other	3,023	3,479	4	4,033
Total other current and non-current liabilities	\$ 39,506	\$ 15,928	\$ 20,927	\$ 17,281

⁽¹⁾ Includes value-added taxes and certain withholding taxes payable to local authorities.

7. Stockholders' Equity

Authorized Capital Stock

The total amount of the Company's authorized capital stock consists of 951,000,000 shares, consisting of (i) 1,000,000 shares of preferred stock, par value \$0.0001 per share ("Preferred Stock"), (ii) 750,000,000 shares of Class A Common Stock, and (iii) 200,000,000 shares of Class V Common Stock (together with the Class A Common Stock, the "Common Stock").

Preferred Stock

The Board of Directors of the Company (the "Board") has the authority to issue shares of preferred stock at any time and from time to time, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the powers, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series and to cause to be filed with the Secretary of State of the State of Delaware a certificate of designations with respect thereto. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. As of December 31, 2025 and 2024, there were no shares of preferred stock outstanding.

Common Stock

As of December 31, 2025, there were 99,958,236 shares of Class A Common Stock outstanding and 129,609,532 shares of Class V Common Stock outstanding. As of December 31, 2024, there were 90,511,441 shares of Class A Common Stock outstanding and 135,748,023 shares of Class V Common Stock outstanding.

Voting Rights

Each holder of record of Common Stock shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote or holders of Common Stock as a separate class are entitled to vote, including the election or removal of directors (whether voting separately as a class or together with one or more classes of the Company's capital stock); provided, however, that to the fullest extent permitted by law, holders of Common Stock shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to the Company's Second A&R Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Company's Second A&R Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the Delaware General Corporation Law. The holders

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of Class A Common Stock and Class V Common Stock having the right to vote in respect of such Common Stock shall vote together as a single class (or if the holders of one or more series of Preferred Stock are entitled to vote together with the holders of Common Stock having the right to vote in respect of such Common Stock, as a single class with the holders of such other series of Preferred Stock) on all matters submitted to a vote of the stockholders having voting rights generally.

Dividend Rights

Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends and other distributions in cash, stock of any corporation or property of the Company, the holders of Class A Common Stock shall be entitled to receive ratably such dividends and other distributions as may from time to time be declared by the Board in its discretion out of the assets of the Company that are by law available therefor at such times and in such amounts as the Board in its discretion shall determine.

Dividends and other distributions shall not be declared or paid on the Class V Common Stock.

Rights Upon Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, after payment or provision for payment of the debts and other liabilities of the Company and of the preferential and other amounts, if any, to which the holders of Preferred Stock or any class or series of stock having a preference over the Class A Common Stock as to distributions upon dissolution or liquidation or winding up shall be entitled, the holders of all outstanding shares of Class A Common Stock shall be entitled to receive the remaining assets of the Company available for distribution ratably in proportion to the number of shares held by each such stockholder. The holders of shares of Class V Common Stock shall not be entitled to receive any assets of the Company in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Cancellation of Class V Common Stock

In the event that any outstanding share of Class V Common Stock shall cease to be held directly or indirectly by the holder of the corresponding RSILP Unit, as set forth in the books and records of RSILP, including by virtue of any divestiture by such holder of such corresponding RSILP Unit, such share of Class V Common Stock shall automatically and without further action on the part of the Company or any holder of Class V Common Stock be transferred to the Company and canceled for no consideration. The Company shall not issue additional shares of Class V Common Stock after the Closing of the transactions contemplated by the Business Combination, other than in connection with the valid issuance of RSILP Units in accordance with the RSILP A&R LPA.

Other Rights

If the Company at any time combines or subdivides (by any stock split, stock dividend, recapitalization, reorganization, merger, amendment of the Company's Second A&R Certificate of Incorporation, scheme, arrangement or otherwise) the number of shares of Class A Common Stock into a greater or lesser number of shares, the shares of Class V Common Stock outstanding immediately prior to such subdivision shall be proportionately similarly combined or subdivided such that the ratio of shares of outstanding Class V Common Stock to shares of outstanding Class A Common Stock immediately prior to such subdivision shall be maintained immediately after such combination or subdivision. Any such adjustment shall become effective at the close of business on the date the combination or subdivision becomes effective.

Non-Controlling Interest

The non-controlling interest represents the RSILP Units held by holders other than the Company. The non-controlling interests' ownership percentage can fluctuate over time as the holders of the RSILP Units elect to exchange for Class A Common Stock. The Company consolidates the financial position and results of operations of RSILP and reflects the proportionate interest held by the holders of RSILP Units other than the Company as non-controlling interest.

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The non-controlling interests owned 56.46% and 60.00% of the RSILP Units outstanding as of December 31, 2025 and 2024, respectively. The following table summarizes the changes in non-controlling interests owned:

	Non-Controlling Interest %
Non-controlling interest % as of December 31, 2024	60.00 %
Issuance of Class A Common Stock upon RSILP Unit Exchanges	(2.69) %
Issuance of Class A Common Stock in connection with the vesting of restricted stock units	(1.02) %
Repurchases of Class A Common Stock	0.18 %
Issuance of Class A Common Stock in connection with the exercise of stock options	(0.01) %
Non-controlling interest % as of December 31, 2025	56.46 %

The non-controlling interests owned 60.00% and 67.51% of the RSILP Units outstanding as of December 31, 2024 and 2023, respectively. The following table summarizes the changes in non-controlling interests owned:

	Non-Controlling Interest %
Non-controlling interest % as of December 31, 2023	67.51 %
Issuance of Class A Common Stock upon RSILP Unit Exchanges	(6.53) %
Issuance of Class A Common Stock in connection with the vesting of restricted stock units	(0.97) %
Issuance of Class A Common Stock in connection with the exercise of stock options	(0.01) %
Non-controlling interest % as of December 31, 2024	60.00 %

Treasury Stock

On October 24, 2024, the Board authorized the repurchase of an aggregate of up to \$50 million of Class A Common Stock (the “Stock Repurchase Program”) through open market purchases, privately negotiated transactions or other transactions in accordance with applicable securities laws.

During the years ended December 31, 2025 and 2024, the Company repurchased 733,019 and nil shares, respectively, of Class A Common Stock pursuant to the Stock Repurchase Program. The aggregate purchase price was approximately \$7.6 million during the year ended December 31, 2025 at an average price of \$10.41. The repurchased shares are considered issued but not outstanding.

8. Share-Based Compensation

Incentive Plan

The Company adopted the Rush Street Interactive, Inc. 2020 Omnibus Equity Incentive Plan, as amended from time to time (the “2020 Plan”), to attract, retain and incentivize employees, certain consultants and directors who will contribute to the success of the Company. Awards that may be granted under the 2020 Plan include incentive stock options, non-qualified stock options, stock appreciation rights, restricted awards, performance share awards, cash awards and other equity-based awards. There is an aggregate of approximately 35.8 million shares of Class A Common Stock reserved under the 2020 Plan. The 2020 Plan will terminate on December 29, 2030.

Restricted Stock Units (“RSUs”)

The Company granted 0.9 million, 2.8 million and 2.5 million RSUs with service conditions, during the years ended December 31, 2025, 2024 and 2023, respectively. RSUs with service conditions generally vest over a three-to-four-year period, with each tranche vesting annually. The grant date fair value of RSUs with service conditions is determined based on the quoted market price.

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The Company granted 0.4 million, 1.2 million and 1.5 million RSUs with market-based conditions (e.g., total shareholder return) during the years ended December 31, 2025, 2024 and 2023, respectively. RSUs with market-based conditions generally vest over a three-year period and the fair value was determined using a Monte Carlo simulation using the following assumptions during the years ended December 31:

	2025	2024	2023
Volatility rate	62.75 %	68.48%	69.78%
Risk-free interest rate	4.00 %	4.55%	3.85%
Average expected life (in years)	2.8	2.8	2.8
Dividend yield	None	None	None
Stock price at grant date	\$ 10.70	\$ 5.79	\$ 3.28

RSU activity for the years ended December 31, 2025 and 2024 was as follows:

	Number of Units	Weighted average grant price
Unvested balance at December 31, 2023	9,218,142	\$ 5.70
Granted	3,973,471	8.32
Vested ⁽¹⁾	(3,084,207)	7.83
Forfeited	(141,974)	7.52
Unvested balance at December 31, 2024	9,965,432	\$ 6.06
Granted	1,348,921	12.51
Additional shares based on performance ⁽²⁾	2,550,631	4.95
Vested ⁽¹⁾	(8,511,976)	3.53
Forfeited	(293,308)	6.86
Unvested balance at December 31, 2025	5,059,700	\$ 8.94

⁽¹⁾ Include 3,498,000 and 561,774 of RSUs that vested during the years ended December 31, 2025 and 2024, respectively, for which the resulting shares of Class A Common Stock have not yet been issued. There were 3,210,679 and 532,010 RSUs that vested for which the resulting shares of Class A Common Stock were not issued as of December 31, 2025 and 2024, respectively.

⁽²⁾ RSUs with market conditions include a performance achievement multiplier that is assessed upon vesting of the shares. RSUs with market conditions vested during the year ended December 31, 2025, resulting in the issuance of shares incremental to the initial target when the conditions are met. As of December 31, 2025, RSUs that had vested for which the resulting shares of Class A Common Stock had not yet been issued include certain RSUs with market conditions subject to a performance achievement multiplier.

The weighted-average grant-date fair values of RSUs granted during the years ended December 31, 2025, 2024 and 2023 were \$12.51, \$8.32 and \$4.12 per share, respectively. The aggregate fair value of the RSUs granted during the years ended December 31, 2025, 2024 and 2023, was approximately \$16.9 million, \$33.0 million and \$16.6 million, respectively. The aggregate grant date fair value of the RSUs vested during the years ended December 31, 2025, 2024 and 2023, was approximately \$30.0 million, \$24.1 million and \$19.3 million, respectively.

As of December 31, 2025, the Company had unrecognized stock-based compensation expense related to RSUs of \$27.7 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.1 years.

During the years ended December 31, 2025 and 2024, the Company withheld 1,836,237 and 239,518 shares, respectively, of its Class A Common Stock associated with the tax withholding obligations due from employees upon the vesting of equity-based awards. The shares were withheld at an average price of \$13.62 and \$12.47 per share, respectively. The total cost of the net shares withheld for employee taxes was approximately \$25.0 million and \$3.0 million during the years ended December 31, 2025 and 2024, respectively, and was accounted for as a reduction in additional paid-in capital. During the year ended December 31, 2023, no employee taxes were withheld via net share settlement of equity-based awards.

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Stock Options

The Company granted 0.3 million, 0.6 million and 1.1 million stock options during the years ended December 31, 2025, 2024 and 2023, respectively. The estimated grant date fair value of stock options was determined using a Black-Scholes valuation model using the following weighted-average assumptions during the years ended December 31:

	2025	2024	2023
Volatility rate	65.00 %	68.00 %	70.00 %
Risk-free interest rate	4.10 %	4.30 %	3.80 %
Expected term ⁽¹⁾ (in years)	6.0	6.0	6.0
Dividend yield	None	None	None
Stock price at grant date	\$ 10.70	\$ 5.79	\$ 3.28
Exercise price	\$ 10.70	\$ 5.79	\$ 3.28

⁽¹⁾ Calculated using the simplified method (the midpoint between the requisite service period and the contractual term of the option) due to the Company's insufficient historical exercise information to provide a basis for an estimate.

Stock option activity for the years ended December 31, 2025 and 2024 was as follows:

	Number of Units	Weighted average exercise price
Outstanding balance at December 31, 2023	1,971,611	\$ 4.16
Granted	630,897	5.79
Exercised	(20,437)	3.28
Forfeited	—	—
Outstanding balance at December 31, 2024	2,582,071	4.57
Granted	344,391	10.70
Exercised	(44,253)	3.99
Forfeited	(77,368)	—
Outstanding balance at December 31, 2025	2,804,841	\$ 5.33
Exercisable balance at December 31, 2025	1,755,744	\$ 4.55

The weighted-average grant-date fair values of options granted during the years ended December 31, 2025, 2024 and 2023 were \$6.70, \$3.74 and \$2.14 per share, respectively. The aggregate fair value of the stock options granted during the years ended December 31, 2025, 2024 and 2023, was \$2.3 million, \$2.4 million and \$2.3 million, respectively. The outstanding stock options and exercisable stock options as of December 31, 2025 had an intrinsic value of \$39.6 million and \$26.1 million, respectively.

As of December 31, 2025, the Company had unrecognized stock-based compensation expense related to stock options of \$2.7 million, which is expected to be recognized over the remaining weighted-average vesting period of 0.9 years.

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Recognition of Compensation Costs

Share-based compensation expense for the years ended December 31, 2025, 2024 and 2023 was as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Costs of revenue	\$ 304	\$ 1,116	\$ 1,064
Sales and marketing	6,216	2,748	2,225
General and administrative	19,741	31,424	26,731
Total share-based compensation expense	\$ 26,261	\$ 35,288	\$ 30,020

9. Income Taxes

RSILP is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, RSILP is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by RSILP is passed through to and included in the taxable income or loss of its partners, including the Company (through its ownership of the Special Limited Partner), on a pro rata basis. The Company is subject to U.S. federal income taxes and state and local income taxes with respect to its allocable share of any taxable income or loss of RSILP, as well as any stand-alone income or loss generated by the Company.

Income Tax (Benefit) Expense

(Loss) income before income taxes, by jurisdiction, was as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Domestic ⁽¹⁾	\$ (82,824)	\$ (36,311)	\$ (86,125)
Foreign	71,745	68,113	37,279
(Loss) income before income taxes	\$ (11,079)	\$ 31,802	\$ (48,846)

⁽¹⁾ A portion of the loss before income taxes in 2025 relates to change in tax receivable agreement liability of \$107.8 million recorded for the recognition of the TRA liability.

The components of the income tax (benefit) expense are:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Current income taxes:			
Federal	\$ (210)	\$ 97	\$ (188)
State and local	630	46	9
Foreign	26,352	24,243	11,602
	<u>26,772</u>	<u>24,386</u>	<u>11,423</u>
Deferred income taxes:			
Federal	(92,265)	—	—
State and local	(19,613)	—	—
Foreign	(2)	180	(214)
	<u>(111,880)</u>	<u>180</u>	<u>(214)</u>
Income tax (benefit) expense	\$ (85,108)	\$ 24,566	\$ 11,209

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The tables below provide the updated requirements of ASU 2023-09 for 2025. See Note 2, “Summary of Significant Accounting Policies - Recently Adopted Accounting Pronouncements”, for additional details on the adoption of ASU 2023-09.

The effective income tax rate for the year ended December 31, 2025 differs from the statutory federal income tax rate as follows (in thousands, except percentages):

	Year Ended	
	December 31, 2025	
	\$	%
Loss before income taxes	\$ (11,079)	
Income tax benefit at the federal statutory rate	(2,327)	21.00 %
State income taxes, net of federal benefit⁽¹⁾	(19,458)	175.61 %
Foreign tax effects		
Colombia		
Foreign income tax rate differential	7,774	(70.16) %
Limit on foreign deductions	4,069	(36.72) %
Other	(219)	1.97 %
Canada (Domestic)		
Foreign income tax rate differential	(944)	8.52 %
Provincial taxes	1,810	(16.33) %
Valuation allowance	(1,540)	13.90 %
Other	(180)	1.62 %
Other	150	(1.35) %
Effect of change in tax laws	—	— %
Effect of cross-border tax laws		
U.S. branch income	15,431	(139.27) %
Tax credits		
Foreign tax credit	(15,637)	141.13 %
Nontaxable or nondeductible items		
Income not taxable to Rush Street Interactive, Inc.	(11,618)	104.86 %
Nondeductible compensation expense	5,943	(53.64) %
Change in tax receivable agreement liability	24,386	(220.09) %
Foreign taxes	710	(6.41) %
Change in valuation allowance	(94,115)	849.43 %
Change in unrecognized tax benefits	—	— %
Other adjustments	657	(5.92) %
Income tax benefit and effective tax rate	\$ (85,108)	768.15 %

⁽¹⁾ States that contribute to the majority (greater than 50%) of the tax effect in this category are Pennsylvania, Delaware and Michigan.

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Income taxes paid, net of refunds, by the Company are as follows:

<i>(\$ in thousands)</i>	Year Ended December 31, 2025	
Federal	\$	727
State		1,196
Foreign ⁽¹⁾		30,747
Total income taxes paid	\$	32,670

⁽¹⁾ Includes income taxes paid in Colombia of \$30.6 million.

As previously disclosed for the years ended December 31, 2024 and 2023, prior to the adoption of ASU 2023-09, the reconciliations of income tax expense computed at the U.S. federal statutory income tax rate to the recognized income tax expense and the U.S. statutory income tax rate to effective tax rates are as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,	
	2024	2023
Net income (loss) before income taxes	\$ 31,802	\$ (48,846)
Less: net income (loss) before income taxes attributable to non-controlling interests	19,621	(33,820)
Net income (loss) attributable to Rush Street Interactive, Inc. before income taxes	12,181	(15,026)
Income tax expense (benefit) at the federal statutory rate	2,558	(3,155)
State income taxes, net of federal benefit	349	(46)
Nondeductible stock compensation	2,691	1,351
Foreign operations	24,423	11,387
Change in valuation allowance	(3,893)	2,589
Other	(1,562)	(917)
Income tax expense	\$ 24,566	\$ 11,209

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Deferred Tax Assets and Liabilities

The Company’s deferred tax position reflects the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting. Significant components of the deferred tax assets and liabilities are as follows:

<i>(\$ in thousands)</i>	December 31,	
	2025	2024
Deferred tax assets:		
Investment in subsidiaries	\$ 198,117	\$ 172,883
Net operating losses	17,238	26,196
Imputed interest	7,447	5,501
Share-based compensation	1,578	1,197
Foreign tax credit	14,568	—
Other assets	902	539
Total gross deferred tax assets	239,850	206,316
Valuation allowance	(81,988)	(205,794)
Total deferred tax assets, net of valuation allowance	157,862	522
Deferred tax liabilities:		
Investment in subsidiaries	(704)	(369)
Total gross deferred tax liabilities	(704)	(369)
Net deferred tax assets	\$ 157,158	\$ 153

Deferred tax assets and liabilities have been offset to the extent they relate to the same tax jurisdiction. Deferred tax liabilities of \$0.7 million and \$0.4 million as of December 31, 2025 and 2024, respectively, are included in Other non-current liabilities on the Company’s consolidated balance sheets.

As of December 31, 2025, the Company had approximately \$64.7 million and \$76.1 million of federal and state net operating loss carryovers, respectively. As of December 31, 2024, the Company had approximately \$92.1 million and \$81.1 million of federal and state net operating loss carryovers, respectively. If not utilized, the entire federal net operating loss carryforward can be carried forward indefinitely. State net operating loss carryovers will expire in varying amounts beginning in 2032. As of December 31, 2025 and 2024, the Company has foreign net operating losses of nil and approximately \$5.6 million, respectively. Additionally, the Company has foreign tax credits of \$14.6 million which will begin expiring in 2034.

On a quarterly basis, management considers new evidence, both positive and negative, that could affect its view of the future realization of its deferred tax asset and adjusts the valuation allowance when it is more likely than not that all or a portion of the deferred tax asset may not be realized. As of December 31, 2025, management determined that there is sufficient positive evidence to conclude that it is more likely than not that deferred tax assets of \$157.9 million, primarily in the U.S., are realizable. For purposes of forecasting taxable income, the Company relied on historical pre-tax earnings trends and incorporated assumptions about future performance that are expected to impact pre-tax results. These historical results support the expectation that the Company will generate taxable income in future periods. The Company did not recognize all U.S. deferred tax assets because the Company determined that a portion of excess income tax basis in RSILP will only reverse upon the occurrence of certain events, such as a sale of the Company’s interest in RSILP, none of which are expected to occur in the foreseeable future. As of December 31, 2025, the valuation allowance on U.S. deferred tax assets is \$82.0 million.

On July 4, 2025, the U.S. Congress passed budget reconciliation bill H.R. 1, referred to as the One Big Beautiful Bill (“OB BB”). The OB BB contains several changes to corporate taxation including modifications to capitalization of research and development expenses, limitations on deductions for interest expense and accelerated fixed asset depreciation. The Company has evaluated OB BB and determined that it does not have a material impact on the consolidated financial statements.

In 2021, the Organization for Economic Co-operation and Development (the “OECD”) established an Inclusive Framework on Base Erosion and Profit Shifting and agreed on a two-pillar solution (“Pillar Two”) to global taxation,

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focusing on global profit allocation and a 15% global minimum effective tax rate. On December 15, 2022, the European Union member states agreed to implement the OECD's global minimum tax rate of 15%. The OECD issued Pillar Two model rules and continues to release guidance on these rules. The Inclusive Framework called for tax law changes by participating countries to take effect in 2024 and 2025. In response, a number of countries enacted tax laws to implement the global minimum tax. On January 5, 2026 the OECD issued a Side-by-Side package on Pillar Two which provides additional safe harbors and simplifications which may be adopted by participating countries. The Company evaluated Pillar Two in the relevant countries, and there is no impact to the tax provision for the year ended December 31, 2025. The Company will continue to evaluate the impact of these tax law changes on future reporting periods.

Uncertain Tax Positions

The Company evaluates its tax positions and recognizes tax benefits that, more-likely-than-not, will be sustained upon examination based on the technical merits of the position. The Company did not have any unrecognized tax benefits as of December 31, 2025 or 2024. The Company filed an initial year federal and state tax returns for tax year 2020, which was the first tax year subject to examination by taxing authorities. Additionally, although RSILP is treated as a partnership for U.S. federal and state income taxes purposes, it is still required to file an annual U.S. Return of Partnership Income, which is subject to examination by the Internal Revenue Service. The statute of limitations has expired for tax years through 2021 for RSILP.

Tax Receivable Agreement

Pursuant to RSILP's election under Section 754 of the Internal Revenue Code, as amended from time to time (the "Code"), the Company expects to obtain an increase in share of the tax basis in the net assets of RSILP when RSILP Units are redeemed or exchanged by the unit holders and other qualifying transactions. The Company plans to make an election under Code Section 754 for each taxable year in which a redemption or exchange of RSILP Units occur. The Company intends to treat any redemptions and exchanges of RSILP Units by the unit holders as direct purchases of RSILP Units for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that the Company would otherwise pay in the future to various tax authorities. These increases in tax basis may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the Business Combination, the Special Limited Partner entered into the TRA, which generally provides for the payment by it of 85% of certain net tax benefits, if any, that the Company (including the Special Limited Partner) realizes (or in certain cases is deemed to realize) as a result of an increase in tax basis and tax benefits related to the transactions contemplated under the Business Combination Agreement and the exchange of Retained RSILP Units (as defined in the Business Combination Agreement) for Class A Common Stock (or cash at the Company's option) pursuant to RSILP's amended and restated limited partnership agreement and tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. These payments are the obligation of the Special Limited Partner and not of RSILP. 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, the market price of the Class A Common Stock at the time of the exchange and the amount and timing of the recognition of RSI and its 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 Tax Receivable Agreement are outside of the Company's control, the Company expects that the payments the Special Limited Partner will make under the TRA will be substantial and could have a material adverse effect on the financial condition of the Company.

Based primarily on the three-year cumulative income analysis and anticipated future earnings, management has determined that it is more likely than not that the Company will be able to utilize its deferred tax assets subject to the TRA. As of December 31, 2025 and 2024, the Company recognized a TRA liability of \$130.1 million (including \$1.2 million classified as current liability) and \$0.7 million, respectively, based on tax benefits realized in the current and prior tax year. Unrecognized TRA liability was nil and \$104.3 million as of December 31, 2025 and 2024, respectively. Change in tax receivable agreement liability of \$107.8 million and \$0.7 million during the years ended December 31, 2025 and 2024, respectively, was recorded upon recognition of the TRA liability. The increase in the liability is primarily due to the issuance of Class A Common Stock upon RSILP Unit exchanges.

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10. Earnings (Loss) Per Share

Basic earnings (loss) per share of Class A Common Stock is computed by dividing net income (loss) attributable to RSI by the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted earnings (loss) per share of Class A Common Stock is computed by dividing net income (loss) attributable to RSI, adjusted for the assumed exchange of all potentially dilutive securities, by the weighted-average number of shares of Class A Common Stock outstanding adjusted to give effect to potentially dilutive shares.

The computation of earnings (loss) per share attributable to RSI and weighted-average shares of the Company's Class A Common Stock outstanding for the years ended December 31, 2025, 2024 and 2023 are as follows (amounts in thousands, except for share and per share amounts):

	Years Ended December 31,		
	2025	2024	2023
Numerator:			
Net income (loss)	\$ 74,029	\$ 7,236	\$ (60,055)
Less: Net income (loss) attributable to non-controlling interests	40,721	4,848	(41,750)
Net income (loss) attributable to Rush Street Interactive, Inc. – basic	33,308	2,388	(18,305)
Effect of dilutive securities:			
Increase to net income attributable to non-controlling interests	40,721	—	—
Net income (loss) attributable to Rush Street Interactive, Inc. – diluted	\$ 74,029	\$ 2,388	\$ (18,305)
Denominator			
Weighted average common shares outstanding – basic	95,825,421	81,784,916	68,508,093
Adjustments:			
Conversion of weighted average RSILP Units to Class A Common Shares	132,705,076	—	—
Incremental shares from assumed conversion of stock options and restricted stock units ⁽¹⁾	7,587,778	6,630,151	—
Weighted average common shares outstanding – diluted	236,118,275	88,415,067	68,508,093
Earnings (loss) per Class A Common Share - basic	\$ 0.35	\$ 0.03	\$ (0.27)
Earnings (loss) per Class A Common Share - diluted	\$ 0.31	\$ 0.03	\$ (0.27)

⁽¹⁾ In period of Net loss, assumed conversion of stock-based awards and RSILP units are anti-dilutive and therefore excluded from the diluted loss per share calculation. For the year ended December 31, 2024, assumed conversion of RSILP units are anti-dilutive and therefore excluded from the diluted earnings per share calculation.

Shares of the Class V Common Stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class V common stock under the two-class method has not been presented.

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The Company excluded the following securities from its computation of diluted shares outstanding, as their effect would have been anti-dilutive:

	December 31,		
	2025	2024	2023
RSILP Units ⁽¹⁾	—	143,091,720	150,434,310
Unvested RSUs	139,235	998,448	9,218,142
Vested RSUs ⁽²⁾	—	—	1,104,629
Outstanding Stock Options	344,391	727,724	1,971,611

⁽¹⁾ RSILP Units that are held by non-controlling interest holders and may be exchanged, subject to certain restrictions, for Class A Common Stock. Upon exchange of an RSILP Unit, a share of Class V Common Stock is canceled.

⁽²⁾ RSUs that vested but the resulting shares of Class A Common Stock have not yet been issued.

11. Segment Reporting

An operating segment is a component of an entity that: (i) engages in business activities from which it may earn revenues and incur expenses; (ii) has discrete financial information available; and (iii) is regularly reviewed by the entity's CODM for purposes of performance assessment and resource allocation.

The Company's CODM is its chief executive officer. The Company manages its operations as a single operating segment that engages in online gaming and retail sports betting business activities. The Company derives its revenues from its gaming offerings such as real-money online casino, online sports betting and retail sports betting (i.e., sports betting services provided at bricks-and-mortar locations), as well as social gaming, which involves free-to-play games using virtual credits that user can earn or purchase (where permitted). The accounting policies for this segment are consistent with those described in the summary of significant accounting policies.

The Company's CODM regularly reviews financial information of the single operating segment for the purposes of assessing performance and making operating decisions. The CODM uses consolidated net income (loss) to allocate resources and assess the performance of the Company by comparing actual results to historical results and previously forecasted financial information. Consolidated net income (loss) is also reviewed to assess whether and when to reinvest profits, for example, expanding into new jurisdictions, acquiring businesses or distributing dividends. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets.

The Company's revenue, significant expenses and net income (loss) for its consolidated segment are as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Revenue	\$ 1,134,428	\$ 924,083	\$ 691,161
<i>Less:</i>			
Costs of revenue ⁽¹⁾	741,360	600,920	463,950
Sales and marketing ⁽¹⁾	158,434	155,842	158,425
General and administrative ⁽¹⁾	80,979	74,782	60,618
Interest income	(10,191)	(8,450)	(3,703)
Interest expense	918	957	938
Depreciation and amortization	39,970	32,203	29,759
Income tax expense	(85,108)	24,566	11,209
Other segment items ⁽²⁾	134,037	36,027	30,020
Consolidated net income (loss)	\$ 74,029	\$ 7,236	\$ (60,055)

⁽¹⁾ Excludes share-based compensation expense.

⁽²⁾ Other segment items include share-based compensation expense and change in tax receivable agreement liability.

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. Related Parties

Prior to the Business Combination, RSILP's principal unit holders included Neil G. Bluhm, Executive Chairman, and NGB 2013 Grandchildren's Dynasty Trust (collectively, "Bluhm and Trust") and Gregory A. Carlin, the Company's former Chief Executive Officer and former vice chairman, and Greg and Marcy Carlin Family Trust (collectively, "Carlin and Trust"). Bluhm and Trust and Carlin and Trust had interests in RSILP of approximately 73% and 20%, respectively. Both Bluhm and Trust and Carlin and Trust are the owners of the Sellers' Representative, which had an interest of approximately 1% in RSILP.

Neil Bluhm and Richard Schwartz, the Company's Chief Executive Officer, maintain ownership in RSILP and collectively have control over its governance and general operations. At the Closing, the Company and RSI GP entered into the Amended and Restated Limited Liability Company Agreement of RSI GP, pursuant to which, among other things, the parties established a board of managers of RSI GP, which is initially comprised of Neil Bluhm, Gregory Carlin and Richard Schwartz, to direct and exercise control over all activities of RSI GP, including RSI GP's right to manage and control RSILP. As of December 31, 2025, Neil Bluhm and Richard Schwartz remain on the board of managers of RSI GP.

Amended and Restated Agreement of Limited Partnership of RSILP

At the Closing, the Company, the Special Limited Partner, RSI GP, RSILP and the Sellers entered into the RSILP A&R LPA.

Management

RSI GP, as the general partner of RSILP following the Closing, has the sole authority to manage the business, property and affairs of RSILP in accordance with the RSILP A&R LPA or applicable law, including laws relating to gaming. The RSILP A&R LPA provides that the general partner cannot be removed or replaced except with the consent of a majority in interests of the partners of RSILP and the Company. The rights of the general partner's board of managers are governed by the general partner's limited liability company agreement, which may be amended or modified from time to time by the Company.

Tax Distributions

The RSILP A&R LPA provides quarterly tax distributions payable in accordance with the RSILP A&R LPA to the holders of RSILP Units on a pro rata basis based upon an agreed-upon formula related to the taxable income of RSILP allocable to holders of RSILP Units. Generally, these tax distributions will be computed based on RSILP's estimate of the taxable income of RSILP allocable to each holder of RSILP Units (based on certain assumptions) multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporation resident in Illinois, subject to various adjustments. Distributions, including tax distributions, will be made to holders of RSILP Units on a pro rata basis.

During the year ended December 31, 2025, RSILP paid a tax distribution of \$0.7 million to holders of RSILP Units other than Rush Street Interactive, Inc., and the state tax authorities. No tax distributions were paid during the years ended December 31, 2024 and 2023.

Transfer Restrictions

The RSILP A&R LPA contains restrictions on transfers of units and requires the prior consent of the general partner for such transfers, except, in each case, for certain transfers to permitted transferees under certain conditions and exchanges of RSILP Units for shares of Class A Common Stock after the six-month anniversary of the Closing.

Exchange of RSILP Units for Class A Common Stock

The Sellers are, up to four times per calendar year, able to exchange all or any portion of their RSILP Units, together with the cancellation of an equal number of shares of Class V Common Stock, for a number of shares of Class A Common Stock equal to the number of exchanged RSILP Units by delivering a written notice to RSILP, with a copy to the Special Limited Partner; provided that no holder of RSILP Units may exchange less than 1,000 RSILP Units in any single exchange unless exchanging all of the RSILP Units held by such holder at such time, subject in each case to the limitations

RUSH STREET INTERACTIVE, INC.
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and requirements set forth in the RSILP A&R LPA regarding such exchanges. Notwithstanding the foregoing, the Special Limited Partner may, at its sole discretion, in lieu of delivering shares of Class A Common Stock for any RSILP Units surrendered for exchange, pay an amount in cash per RSILP Unit equal to the 5-day VWAP of the Class A Common Stock on the date of the receipt of the written notice of the exchange.

Exchange Ratio

For each RSILP Unit exchanged, one share of Class V Common Stock will be canceled, and one share of Class A Common Stock will be issued to the exchanging member. If the Class A Common Stock is converted or changed into another security, securities or other property, on any subsequent exchange an exchanging RSI Unit holder will be entitled to receive such security, securities or other property.

Restrictions on Exchange

In certain circumstances, RSI GP may limit the rights of holders of RSILP Units to exchange their RSILP Units under the RSILP A&R LPA if RSI GP determines in good faith that such restrictions are necessary so that RSILP will not be classified as a “publicly traded partnership” under applicable tax laws and regulations.

Affiliated Land-Based Casinos

Neil Bluhm and his adult children (including Ms. Leslie Bluhm, a member of the Board), through their individual capacities, entities or trusts that they have created for the benefit of themselves or their family members, and Greg Carlin, through his individual capacity, entities or trusts that he has created for the benefit of himself or his family members, are direct or indirect owners, directors and/or officers of certain land-based casinos. The Company has entered into certain agreements with these affiliated land-based casinos that create strategic partnerships and/or joint ventures aimed to capture the online gaming, online sports betting and retail sports services markets in the various states and municipalities where the land-based casinos operate.

Generally, the Company pays a royalty fee to the land-based casino (calculated as a percentage of the Company’s revenue less reimbursable costs as defined in the agreement) in exchange for the right to operate real-money online casino and/or online sports betting under the gaming license of the land-based casinos. Royalties related to arrangements with affiliated casinos were \$72.9 million, \$66.1 million and \$49.6 million for the years ended December 31, 2025, 2024 and 2023, respectively, which were net of any consideration received from the affiliated casino for reimbursable costs, as well as costs that are paid directly by the affiliate casino on the Company’s behalf. Net royalties paid are recorded as costs of revenue in the accompanying consolidated statements of operations. In certain cases, the affiliate casino maintains the bank account that processes cash deposits and withdrawals for RSI customers. Accordingly, at any point in time, the Company will record a receivable from the affiliate, representing RSI total gaming revenue (with RSI customers) that was collected by the affiliate, less consideration payable to the affiliate for use of its license, which is offset by any consideration received from the affiliate based on the terms of the agreement. Receivables due from affiliated land-based casinos were \$19.9 million and \$18.2 million at December 31, 2025 and 2024, respectively.

In addition, the Company provides retail sports services to certain affiliated land-based casinos in exchange for a monthly commission based on the land-based casino’s retail sportsbook revenue. Services include ongoing management and oversight of the retail sportsbook, technical support for the land-based casino’s customers, customer support, risk management, advertising and promotion, and support for the third-party vendor’s sports betting equipment. Revenue recognized relating to retail sports services provided to affiliated land-based casinos during the years ended December 31, 2025, 2024 and 2023 were not material to the consolidated financial statements. Any payables due to the affiliated land-based casinos are netted against affiliate receivables to the extent a right of offset exists, yet such amounts were not material to the consolidated financial statements as of December 31, 2025 and 2024.

13. Leases

The Company leases office space and other retail space under operating lease agreements with terms that do not exceed five years. In addition, the Company leases online gaming servers and related equipment under finance lease arrangements.

RUSH STREET INTERACTIVE, INC.
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The components of lease expense for the years ended December 31, 2025, 2024 and 2023 were as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 1,208	\$ 1,080	\$ 770
Variable lease cost	389	172	267
Short-term lease cost	405	559	867
Finance lease cost:			
Amortization of finance lease right-of-use asset	2,392	1,829	1,272
Interest on finance lease liabilities	199	169	85
Total lease expenses	\$ 4,593	\$ 3,809	\$ 3,261

Additional information relating to leases for the years ended December 31, 2025, 2024 and 2023 was as follows:

<i>(\$ in thousands)</i>	Years Ended December 31,		
	2025	2024	2023
Operating cash flows from operating leases	\$ 893	\$ 832	\$ 732
Right-of-use assets obtained in exchange for new or modified operating lease liabilities	\$ 1,349	\$ 1,582	\$ 210
Right-of-use assets obtained in exchange for new or modified finance lease liabilities	\$ 3,482	\$ 1,986	\$ 2,423
Weighted-average remaining lease term (in years) – operating leases	2.8	3.0	2.5
Weighted-average remaining lease term (in years) – finance leases	2.4	2.7	3.4
Weighted-average discount rate – operating leases	8.6 %	9.2 %	6.7 %
Weighted-average discount rate – finance leases	5.5 %	5.3 %	7.7 %

The Company calculated the weighted-average discount rate using the interest rates implicit in the lease contract and if not determinable, incremental borrowing rates, which equal the rates of interest that it would pay to borrow funds on a fully collateralized basis over a similar term.

The Company records lease activity within the following financial statement line items:

Account	Financial Statement Line Item
Operating lease right-of-use asset	Operating lease assets
Finance lease right-of-use asset, net	Property and equipment, net
Operating lease liabilities	Other current liabilities and Other non-current liabilities
Finance lease liabilities	Other current liabilities and Other non-current liabilities
Operating lease expense	General and administrative
Finance lease amortization expense	Depreciation and amortization
Finance lease interest expense	Interest income, net

RUSH STREET INTERACTIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Maturity of operating lease liabilities as of December 31, 2025 is as follows:

(\$ in thousands)

Year ending December 31, 2026	\$ 1,190
Year ending December 31, 2027	986
Year ending December 31, 2028	708
Year ending December 31, 2029	238
Year ending December 31, 2030	—
Total undiscounted future cash flows	3,122
Less: present value discount	(378)
Operating lease liabilities	\$ 2,744

Maturity of finance lease liabilities as of December 31, 2025 is as follows:

(\$ in thousands)

Year ending December 31, 2026	\$ 1,622
Year ending December 31, 2027	1,528
Year ending December 31, 2028	522
Year ending December 31, 2029	—
Year ending December 31, 2030	—
Total undiscounted future cash flows	3,672
Less: present value discount	(284)
Finance lease liabilities	\$ 3,388

14. Commitments and Contingencies

Legal Matters

The Company is not a party to any material legal proceedings and is not aware of any material pending or threatened claims. From time to time however, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

Other Contractual Obligations

The Company is a party to several non-cancelable contracts with vendors and licensors for marketing and other strategic partnership related agreements. Under the non-cancelable terms of these contracts, the Company is obligated to make future minimum payments as follows:

(\$ in thousands)

Year ending December 31, 2026	\$ 25,171
Year ending December 31, 2027	16,465
Year ending December 31, 2028	10,912
Year ending December 31, 2029	9,764
Year ending December 31, 2030	7,563
Thereafter	10,915
Total⁽¹⁾	\$ 80,790

⁽¹⁾ Includes operating lease and finance lease obligations under non-cancelable lease contracts totaling \$6.8 million, obligations under non-cancelable contracts with marketing vendors totaling \$41.9 million, and license and market access commitments totaling \$32.1 million. Certain market access arrangements require the Company to make additional payments at a contractual milestone date if the market access fees paid up until that milestone date do not meet a minimum contractual threshold. In these instances, the Company calculates future minimum payment as the total milestone payment less any amounts already paid to the partner and includes such payments in the period in which the milestone date occurs.

Exhibit Index

(b) Exhibits. The following exhibits are being filed or furnished, as applicable, herewith:

Exhibit Number	Description
2.1	Amended and Restated Business Combination Agreement, dated as of October 9, 2020, by and among the Company, RSILP, the Sellers, Sponsor and Sellers' Representative (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on October 13, 2020).
2.2	Amendment to Amended and Restated Business Combination Agreement, dated as of December 4, 2020, by and among the Company, RSILP, the Sellers, Sponsor, LLC and Sellers' Representative (incorporated by reference to Annex A-2 to the Company's Preliminary Proxy Statement filed with the SEC on December 4, 2020).
3.1	Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
4.1	Specimen Common Stock Certificate of the Company (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-1/A (Registration No. 333-236208) filed with the SEC on February 13, 2020).
4.2	Description of the Company's Securities Registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.2 of the Company's Annual Report on Form 10-K filed with the SEC on March 7, 2024).
4.3	Specimen Warrant Certificate of the Company (incorporated by reference to Exhibit 4.3 of the Company's Form S-1 (File No. 333-236208), filed with the SEC on February 13, 2020).
4.4	Warrant Agreement, dated February 20, 2020, between Continental Stock Transfer & Trust Company and the Company (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K, filed with the SEC on February 25, 2020).
10.1	Amended and Restated Limited Partnership Agreement of RSILP, dated as of December 29, 2020, by and among the Company, Special Limited Partner, RSI GP, RSILP and the Sellers (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
10.2	Amended and Restated Limited Liability Company Agreement of RSI GP, dated as of December 29, 2020, by and between the Company and RSI GP (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
10.3	Tax Receivable Agreement, dated as of December 29, 2020, by and among the Company, the Special Limited Partner, RSILP, the Sellers and the Sellers' Representative (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
10.4	Investor Rights Agreement, dated as of December 29, 2020, by and among the Company, the Sellers, the Founder Holders, and the Sellers' Representative (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
10.5	Services Agreement, dated as of December 29, 2020, by and between RSILP and RSG (incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021).
10.6§	Rush Street Interactive, Inc. 2020 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K filed with the SEC on January 5, 2020).
10.7§	Amendment to Rush Street Interactive, Inc. 2020 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.19 of the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2021).
10.8§	Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.20 of the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2021).
10.9§	Form of Incentive Stock Option Agreement (incorporated by reference to Exhibit 10.21 of the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2021).
10.10§	Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.22 of the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2021).
10.11§	Form of Performance Share Unit Agreement (incorporated by reference to Exhibit 10.23 of the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2021).
10.12	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2021).

- 10.13§* Amended and Restated Offer Letter Agreement dated October 15, 2025, by and between RSILP and Kyle Sauers.
- 10.14§ Confidentiality and Restrictive Covenant Agreement dated October 5, 2020, by and between RSILP and Kyle Sauers (incorporated by reference to Exhibit 10.27 of the Company’s Annual Report on Form 10-K filed with the SEC on March 25, 2021).
- 10.15§ Business Consulting Agreement dated October 28, 2015, by RSILP and an entity owned and controlled by Einar Roosileht (incorporated by reference to Exhibit 10.1 of the Company’s Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
- 10.16§* Amended and Restated Offer Letter Agreement dated December 30, 2025, by and between Rush Street Interactive, Inc. and Richard Schwartz.
- 10.17§ Confidentiality and Restrictive Covenant Agreement dated March 5, 2024, by and between RSILP and Richard Schwartz (incorporated by reference to Exhibit 10.19 of the Company’s Annual Report on Form 10-K filed with the SEC on March 7, 2024).
- 10.18§* Amended and Restated Offer Letter Agreement dated December 30, 2025, by and between Rush Street Interactive, Inc. and Mattias Stetz.
- 10.19§ Confidentiality and Restrictive Covenant Agreement dated March 5, 2024, by and between RSILP and Mattias Stetz (incorporated by reference to Exhibit 10.21 of the Company’s Annual Report on Form 10-K filed with the SEC on March 7, 2024).
- 10.20§† Summary of Separation Terms, dated as of January 7, 2025, by and between Rush Street Interactive, Inc. and Einar Roosileht (incorporated by reference to Exhibit 10.22 of the Company’s Annual Report on Form 10-K filed with the SEC on February 28, 2025).
- 10.21§* Amended and Restated Offer Letter Agreement dated December 29, 2025, by and between Rush Street Interactive, Inc. and Paul Wierbicki.
- 10.22 Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of RSILP, dated as of February 25, 2025 (incorporated by reference to Exhibit 10.24 of the Company’s Annual Report on Form 10-K filed with the SEC on February 28, 2025).
- 19*† Insider Trading Policy.
- 21.1* List of subsidiaries of the registrant.
- 23.1* Consent of WithumSmith+Brown, PC, independent registered public accounting firm of the Company.
- 24.1* Powers of Attorney (incorporated by reference to the signature page hereto).
- 31.1* Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2* Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1** Certifications of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2** Certifications of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 97 Policy Regarding the Mandatory Recovery of Erroneously Awarded Compensation (incorporated by reference to Exhibit 97 of the Company’s Annual Report on Form 10-K filed with the SEC on March 7, 2024).
- 101.INS* Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH* Inline XBRL Taxonomy Extension Schema.
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase.
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase.
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase.
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase.
- 104.1* Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit).

* Filed herewith.

** This exhibit is furnished herewith and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

§ A management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

† Certain information contained in this exhibit has been redacted pursuant to Item 601(a)(6) of Regulation S-K.

^ Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request. In addition, certain information in this exhibit has been redacted pursuant to Item 601(a)(6) of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RUSH STREET INTERACTIVE, INC.

Date: February 18, 2026

By: /s/ Richard Schwartz

Richard Schwartz
Chief Executive Officer

Power of Attorney

Each person whose signature appears below authorizes Richard Schwartz and Kyle L. Sauer, or any one of them, each of whom may act without joinder of the others, to execute in the name of each such person who is then an officer or director of the Registrant and to file any amendments to this Annual Report on Form 10-K necessary or advisable to enable the Registrant to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, which amendments may make such changes in such report as such attorney-in-fact may deem appropriate.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Richard Schwartz</u> Richard Schwartz	Chief Executive Officer and Director (Principal Executive Officer)	February 18, 2026
<u>/s/ Kyle L. Sauer</u> Kyle L. Sauer	President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 18, 2026
<u>/s/ Paul Wierbicki</u> Paul Wierbicki	General Counsel, Chief Legal Officer and Director	February 18, 2026
<u>/s/ Neil Bluhm</u> Neil Bluhm	Director, Executive Chairman	February 18, 2026
<u>/s/ Andrew Bluhm</u> Andrew Bluhm	Director	February 18, 2026
<u>/s/ Leslie Bluhm</u> Leslie Bluhm	Director	February 18, 2026
<u>/s/ Niccolo de Masi</u> Niccolo de Masi	Director	February 18, 2026
<u>/s/ Judith Gold</u> Judith Gold	Director	February 18, 2026
<u>/s/ James Gordon</u> James Gordon	Director	February 18, 2026
<u>/s/ Jack Markell</u> Jack Markell	Director	February 18, 2026
<u>/s/ Thomas Winter</u> Thomas Winter	Director	February 18, 2026
<u>/s/ Daniel Yih</u> Daniel Yih	Director	February 18, 2026

