

TOPICAL INSIGHTS

TWO SIDES OF THE AI COIN

- For established online suppliers, AI is increasingly viewed not as a disruption risk, but as a way to unlock value from decades of accumulated data. Recent earnings calls made one point clear: suppliers already “own” the hardest part of AI— deep, proprietary data that no external model can recreate.
- Playtech points to more than 25 years of player behavior data across products, platforms, and regulated jurisdictions— exactly the type of input that gives AI real commercial value. Light & Wonder made a similar argument, citing advantages in certified game math, licensed IP, and granular session-level data. This will serve as a competitive moat for incumbent operators.
- Importantly, AI is not being positioned as a headcount reducer but rather an opportunity to improve the velocity and cost of game development.

“

The models are only as good as the data stack they are trained on. We are a data-centric business, and we have over 25 years of data from our customers across platform and products... Our goal is by using AI is to use the same amount of people that we have today in order to generate double the amount of games.

”

playtech (3/26/2026)
SOURCE OF SUCCESS

“

AI is not a side initiative at DraftKings. It's a company-wide force multiplier — accelerating product velocity, sharpening pricing and trading, and driving real operating leverage

”



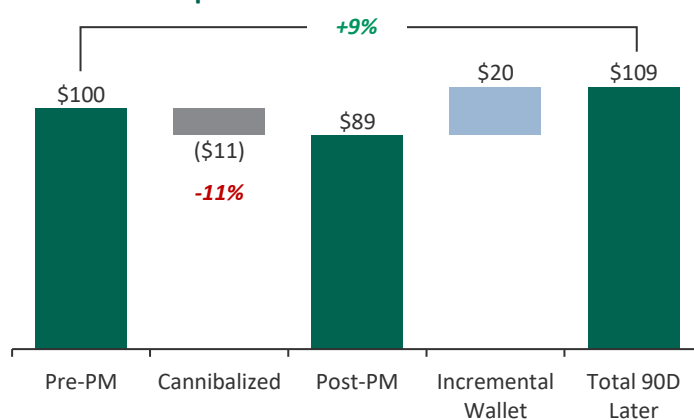
(3/2/2026)

- For consumer facing operators, the AI narrative is less about content creation and more pricing and marketing efficiency. DraftKings noted that recent machine-learning upgrades are tracking toward ~\$45 million of annualized gross revenue uplift from pricing improvements alone.
- Promotional spend is where AI is having the most immediate impact. Algorithms increasingly determine who to target, how much to spend, and when, with DraftKings now setting roughly 70% of promotional spend algorithmically. Aside from efficiency savings, this may limit the need for 3rd party pricing and marketing partnerships.

PREDICTION MARKETS: EARLY DISRUPTION, ACCELERATING STRATEGIC MOMENTUM

- While public and political support for prediction markets appears to be waning amidst a slew of negative press, there remains a debate about the level of impact prediction markets are having on slowing OSB handle growth.
- Juice Reel data suggests prediction markets are cannibalizing ~5% of legal OSB handle. Operators have similarly cited this low-single-digit impact.
- However, the incremental opportunity from unregulated OSB states is likely more than enough to offset any losses, according to [research](#) from our own Jordan Bender.
- Recent M&A, capital raises, and partnerships, including DraftKings / Railbird, Underdog / Aristotle, Novig's \$500mm raise, and distribution tie-ups with Crypto.com, CME, Sleeper, and Fanatics, signal growing conviction in prediction markets as foundational infrastructure, even as regulatory and economic questions remain unsettled.

Figure 1: Illustrative Wallet Size Impact from Prediction Markets



“

We undertook a comprehensive review of potential cannibalization from prediction markets and we have not identified any evidence of any meaningful impact

”

Flutter (2/26/2026)

QUARTERLY FINANCIAL REVIEW

Q1 2026 REVIEW

- Q1 results reinforced solid fundamentals, with in-line to modest EBITDA beats despite moderating growth. DraftKings and Flutter both grew revenue ~17% and slightly exceeded EBITDA expectations, underscoring resilient core profitability as growth normalizes.
- However, decelerating handle growth has become a key concern of investors with 4-straight months of same-store declines from December to March. While early results for April suggest a stabilization, this will remain a key focal point while the impact of prediction markets is debated.
- Despite top-line softness, operators are clearly demonstrating operating leverage and the ability to generate durable cash flows. The major US operators generated a combined \$441mm of EBITDA in Q1, led by DKNG at \$168mm. Long-term targets largely remain intact with Caesars and BetMGM both targeting \$500mm in 2027
- While valuations have come under pressure, RSI remains the notably outlier, with a market leading EV/27 EBITDA multiple of 22.5x. On the heels of this strong stock performance, key shareholders sold \$300mm of shares in April – Citizens was an underwriter on the transaction.

Figure 2: EV / NTM EBITDA Valuations

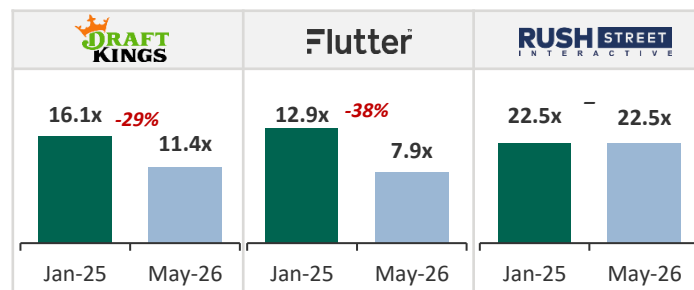
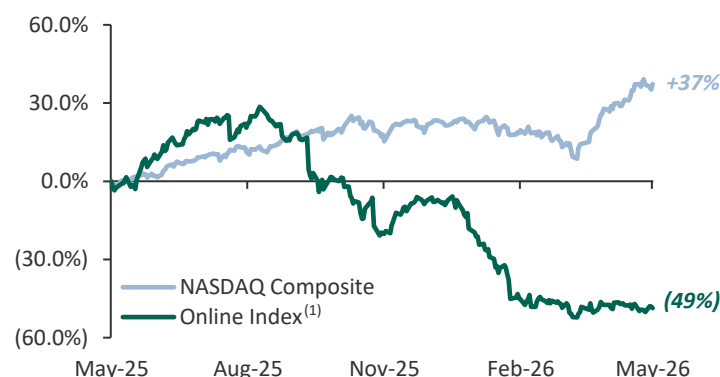


Figure 3: 52-Week Equity Performance



	Q1 Revenue	YoY Growth	Q1 EBITDA	FY26 EBITDA Guidance	Long-term EBITDA Guidance
DRAFT KINGS	\$1.65bn	+17%	\$168mm	\$700mm - \$900mm	~\$1.0bn (2027) (Consensus)
Flutter (U.S.)	\$1.76bn	+6%	\$119mm	\$770mm - \$1.17bn	~\$1.5bn (2027) (Consensus)
RUSH STREET INTERACTIVE	\$370mm	+41%	\$60mm	\$230mm - \$250mm	\$300mm+ (2027) (Consensus)
BETMGM	\$696mm	+6%	\$25mm	\$300mm - \$350mm	\$500mm (2027)
CAESARS CASINO & SPORTSBK	\$374mm	+12%	\$69mm	~\$375mm	\$500mm (2027)

DEAL TALK

VENTURE CAPITAL ACTIVITY

- Q1 gaming VC activity skewed toward infrastructure and tooling, rather than pure consumer betting. Highlights included Novig's \$75m Series B, Midnite's \$35m Series C, and multiple seed and pre-seed rounds backing data, payments, and exchange-oriented platforms (23 Broadway, Pred, Kash, Fireplace).
- Prediction markets set the tone for capital allocation, influencing both late-stage valuations and early-stage strategy. While Kalshi's ~10x valuation increase from \$2.0bn in June '25 to \$22.0bn in March '26 drove headlines, a more telling signal was adjacent startups pivoting toward regulated, exchange-based models, most notably Novig's move to pursue a CFTC-licensed DCM.
- Capital sources and structures continued to diversify, with crypto-native and crossover funds (Coinbase Ventures, Pantera, Multicoin, Makers Fund) active across Q1 rounds, the launch of 5c(c) Capital as a dedicated prediction-markets fund, selective strategic M&A, and growing use of non-dilutive UA financing, highlighted by House Advantage's \$15m facility for PowerPlay.

Figure 4: Q1 VC Activity

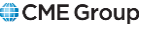
Company	Round	Amount	Type
Polymarket	Series D	\$1.6bn	Late Stage
Kalshi	Series F	\$1.0bn	Late Stage
Novig	Series C	\$75mm	Late Stage
Midnite	Series B	\$35mm	Late Stage
23 Broadway	Seed	\$3mm	Seed
Pred	Seed	\$2.5mm	Seed
Kash	Pre-Seed	\$2mm	Pre-Seed
Fireplace	Pre-Seed	\$1.5mm	Pre-Seed
Quantum Sports Data	Seed	€700k	Seed
InsightPay.ai	Seed	\$500k	Seed

Source: Earnings + More; Pitchbook LCD

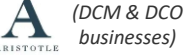
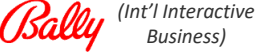
M&A UPDATE

- Despite an unsettling macro-economic backdrop highlighted by ongoing geopolitical conflicts, accelerating inflation and 30-year treasury yields reaching their highest levels since 2007, the market remains conducive for deal activity.
- However, activity has become bifurcated, with seemingly insatiable demand for prediction markets coming at the expense of other gaming verticals.

Figure 5: Recent Prediction Markets Momentum

	Announced Date	Acquirer	Target	Commentary
M&A	May-26		Ascent Capital Management	CFTC registration in advance of plans to launch prediction markets powered by Polymarket within the app
	Mar-26			Gives Underdog ability to operate its own CFTC-compliant prediction market
	Oct-25			Acquisition (up to \$250MM) adds regulated prediction-market infrastructure; foundational to DraftKings Predictions platform
Partnerships	Feb-26	Kalshi		Integrates Kalshi prediction markets into Sleeper's 10MM users; major distribution expansion for event contracts
	Feb-26			Expansion marks the first player-specific sports event contracts offered on DraftKings Predictions for both the NFL and NBA
	Nov-25			Enables Fanatics to launch prediction markets through Crypto.com
	Sep-25			Underdog becomes first sports gaming operator to offer sports prediction trades via Crypto.com; active in non-betting states only
	Aug-25			FanDuel routes event contracts via CME; first major sportsbook integrating regulated event-contract infrastructure

RECENT ONLINE GAMING M&A ACTIVITY

(\$ in millions)				Implied	EV / Revenue	EV / EBITDA
Date	Acquirer	Target	Sub Sector	EV (\$MMs) ⁽¹⁾	Multiple	Multiple
May-26		Ascent Capital Mgmt	Prediction Markets	-	-	-
May-26		Drayton International	B2B	\$9	-	-
Apr-26			Affiliate	-	-	-
Mar-26			B2C	\$75	-	4.7x
Mar-26			B2B	-	-	-
Mar-26			B2C	-	-	-
Mar-26			B2C	-	-	-
Feb-26			B2C	-	-	-
Feb-26		GameAnalytics	B2B	-	-	-
Nov-25			Suppliers	-	-	-
Nov-25			B2B	-	-	-
Oct-25			B2C	\$4,600	2.9x	9.6x
Oct-25			Prediction Markets	-	-	-
Oct-25			Lottery	\$10,430	3.8x	10.0x
Oct-25			B2B	-	-	-
Sep-25			B2C	\$2,500	1.5x	7.4x
Jul-25			RegTech	-	-	-
Jul-25			B2C	\$31,000	16.5x	-
Jul-25			B2B	\$3,221	3.9x	9.7x
Mean:				\$7,405	5.7x	8.3x
Median:				\$3,221	3.8x	9.6x

1) EV and multiples exclude performance based earnouts associated with applicable transactions
Source: Company filings; News Articles and Publicly-Available Financials; Citizens Capital Markets & Advisory

CITIZENS' GAMING EXPERTISE

#1

Gaming Loan
Arranger

#2

Gaming High Yield
Bookrunner

\$3Bn

Gaming Loan
Commitments

SELECT RECENT TRANSACTION EXPERIENCE

 \$900,000,000 SENIOR CREDIT FACILITIES Mandated Lead Arranger MAY 2026	 \$260,000,000 FOLLOW-ON EQUITY OFFERING Co-Manager MAY 2026	 \$3,250,000,000 SENIOR CREDIT FACILITIES Joint Lead Arranger and Co-Documentation Agent APRIL 2026	 \$1,446,875,000 SENIOR CREDIT FACILITIES Joint Lead Arranger, Joint Bookrunner, and Co-Syndication Agent \$600,000,000 SENIOR UNSECURED NOTES Joint Bookrunner APRIL 2026	 \$345,000,000 SENIOR CREDIT FACILITY Joint Lead Arranger and Joint Bookrunner MARCH 2026
 \$800,000,000 SENIOR UNSECURED NOTES Active Bookrunner FEBRUARY 2026	 €550,000,000 SENIOR SECURED NOTES Joint Bookrunner €100,000,000 SENIOR CREDIT FACILITIES Joint Bookrunner FEBRUARY 2026	 Sale-Leaseback By  Financial Advisor FEBRUARY 2026	 \$2,100,000,000 SENIOR CREDIT FACILITIES Joint Lead Arranger JANUARY 2026	 \$2,650,000,000 SENIOR CREDIT FACILITIES Joint Lead Arranger and Joint Bookrunner JANUARY 2026
 \$1,100,000,000 SENIOR CREDIT FACILITIES Exclusive Financial Advisor JANUARY 2026	 \$750,000,000 SENIOR SECURED NOTES Joint Bookrunner DECEMBER 2025	 \$390,000,000 SENIOR CREDIT FACILITIES Sole Lead Arranger, Sole Bookrunner, and Administrative Agent NOVEMBER 2025	 Undisclosed SENIOR CREDIT FACILITIES Joint Lead Arranger and Joint Bookrunner NOVEMBER 2025	 \$150,000,000 SENIOR CREDIT FACILITY Left Lead Arranger, Joint Bookrunner, and Administrative Agent OCTOBER 2025

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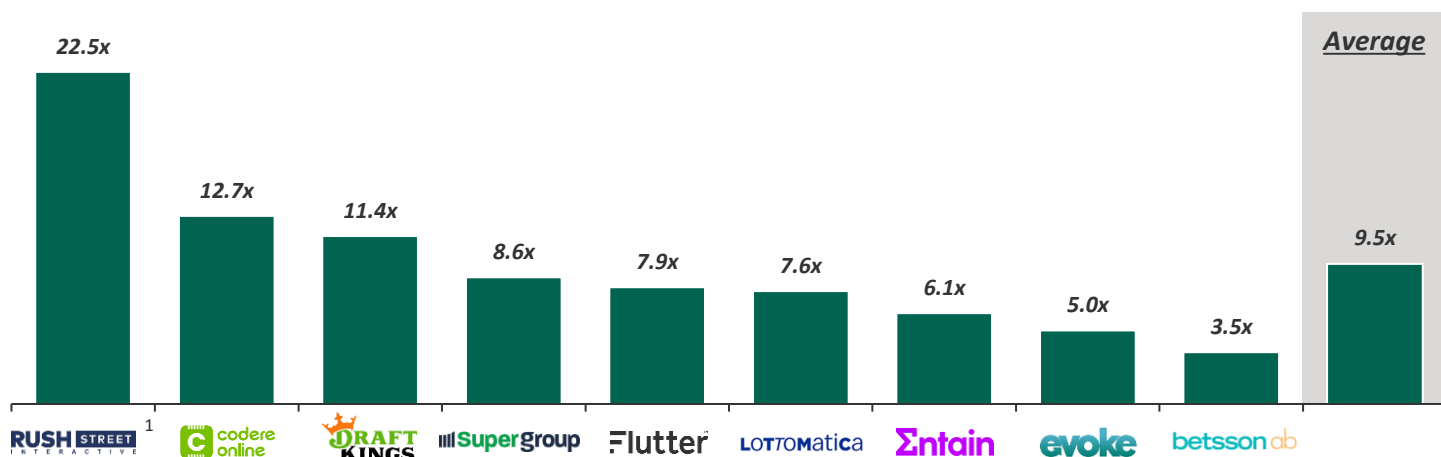
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B2C ONLINE GAMING VALUATIONS

EV / FORWARD EBITDA



EQUITY RELATIVE VALUE ANALYSIS

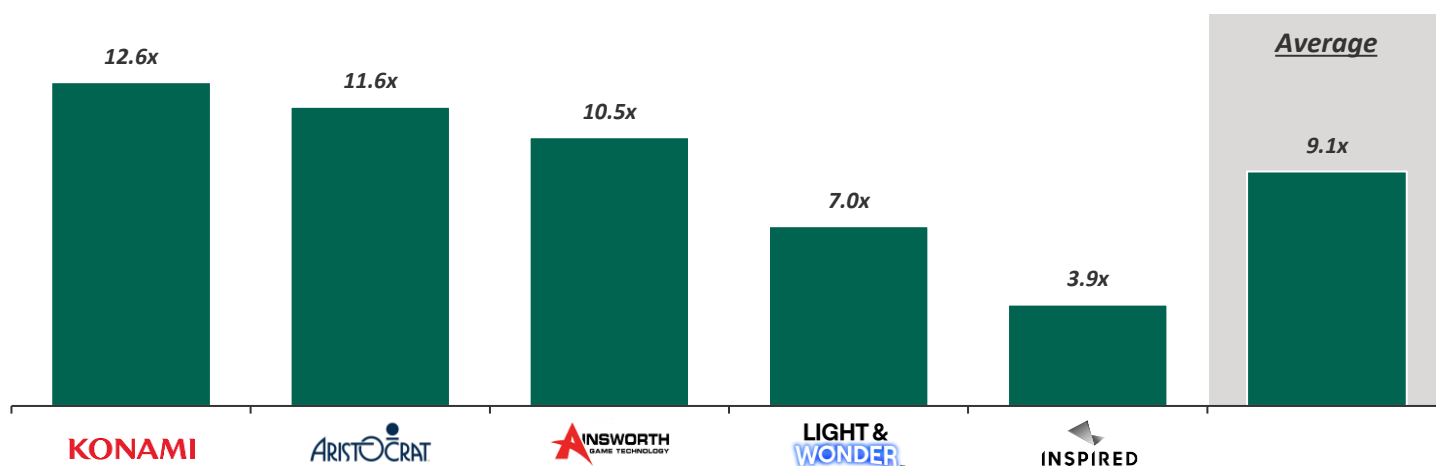
(\$ in millions)													
	5/20/2026				FY 2026E				FY 2027E				
Company	Share Price	% of 52 Wk High	Market Cap	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Revenue	EBITDA	EV / Revenue	EV / EBITDA	
U.S. B2C Operators													
	25.01	51%	12,408	13,327	6,802	779	2.0x	17.1x	7,682	1,174	1.7x	11.4x	
	27.65	95%	7,202	7,030	1,521	243	4.6x	28.9x	1,755	313	4.0x	22.5x	
		Mean	\$9,805	\$10,179	\$4,162	\$511	3.3x	23.0x	\$4,718	\$743	2.9x	16.9x	
		Median	\$9,805	\$10,179	\$4,162	\$511	3.3x	23.0x	\$4,718	\$743	2.9x	16.9x	
International B2C Operators													
	0.47	46%	210	2,448	2,569	456	1.0x	5.4x	2,683	492	0.9x	5.0x	
	9.60	44%	1,294	1,104	1,379	257	0.8x	4.3x	1,477	315	0.7x	3.5x	
	9.40	97%	427	373	274	20	1.4x	18.9x	291	29	1.3x	12.7x	
	7.31	53%	4,675	10,066	7,464	1,540	1.3x	6.5x	7,776	1,637	1.3x	6.1x	
	96.75	31%	16,771	28,441	18,307	2,822	1.6x	10.1x	20,013	3,602	1.4x	7.9x	
	29.61	90%	6,974	9,415	2,815	1,124	3.3x	8.4x	3,006	1,233	3.1x	7.6x	
	13.74	96%	6,981	6,642	2,553	686	2.6x	9.7x	2,758	774	2.4x	8.6x	
	5.35	16%	58	37	NA	NA	N/M	N/M	NA	NA	N/M	N/M	
		Mean	\$4,674	\$7,315	\$5,052	\$986	1.7x	9.0x	\$5,429	\$1,155	1.6x	7.4x	
		Median	\$2,984	\$4,545	\$2,569	\$686	1.4x	8.4x	\$2,758	\$774	1.3x	7.6x	

1) Rush Street Interactive data adjusted to include equity value from Class V shares

Source: Company Website & Filings; Investment Research; Citizens Capital Markets & Advisory; Note: Market data as of 5/20/2026

ONLINE GAMING SUPPLIER VALUATIONS

EV / FORWARD EBITDA

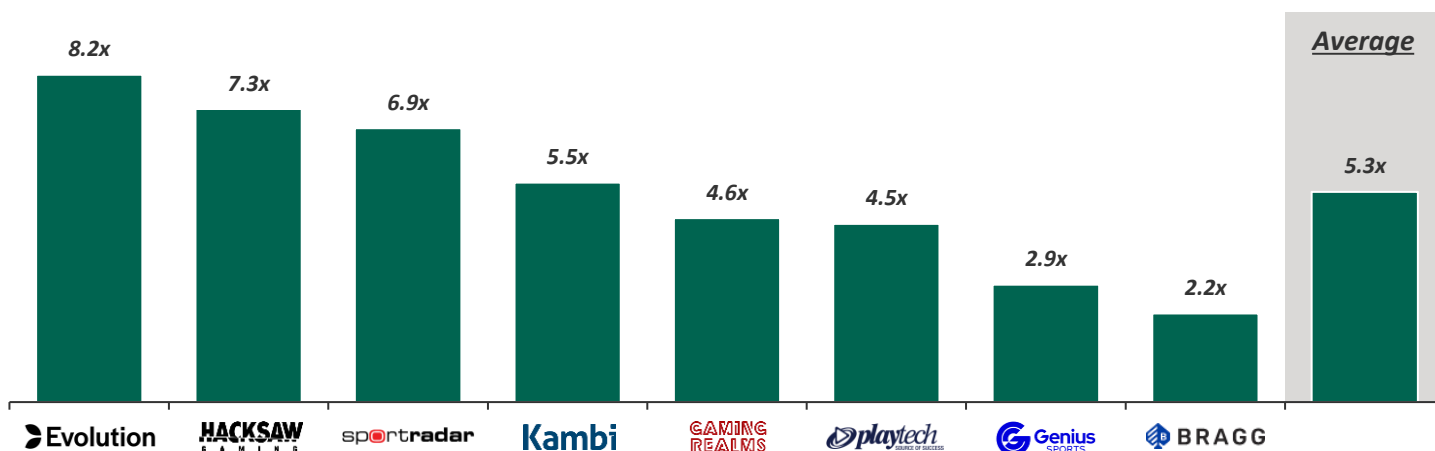


EQUITY RELATIVE VALUE ANALYSIS

(\$ in millions)	5/20/2026				FY 2026E				FY 2027E			
	Share Price	% of 52 Wk High	Market Cap	Enterprise Value	Revenue	EBITDA	EV / EBITDA	EV / EBITDA–Capex	Revenue	EBITDA	EV / EBITDA	EV / EBITDA–Capex
Company												
Diversified Suppliers												
	0.93	81%	312	327	203	30	10.8x	11.7x	209	31	10.5x	11.2x
	36.32	69%	21,903	22,795	4,355	1,856	12.3x	14.4x	4,563	1,960	11.6x	13.6x
	7.19	72%	192	502	260	115	4.4x	6.4x	274	127	3.9x	5.3x
	127.02	76%	17,218	15,509	3,026	1,020	15.2x	22.5x	3,347	1,232	12.6x	16.5x
	81.14	59%	6,378	11,611	3,483	1,530	7.6x	9.6x	3,716	1,661	7.0x	8.9x
		Mean	\$6,524	\$6,847	\$1,517	\$669	8.1x	18.0x	\$1,628	\$736	7.2x	11.3x
		Median	\$1,949	\$1,797	\$616	\$250	8.2x	10.8x	\$694	\$301	7.2x	10.2x

ONLINE GAMING SUPPLIER VALUATIONS

EV / FORWARD EBITDA

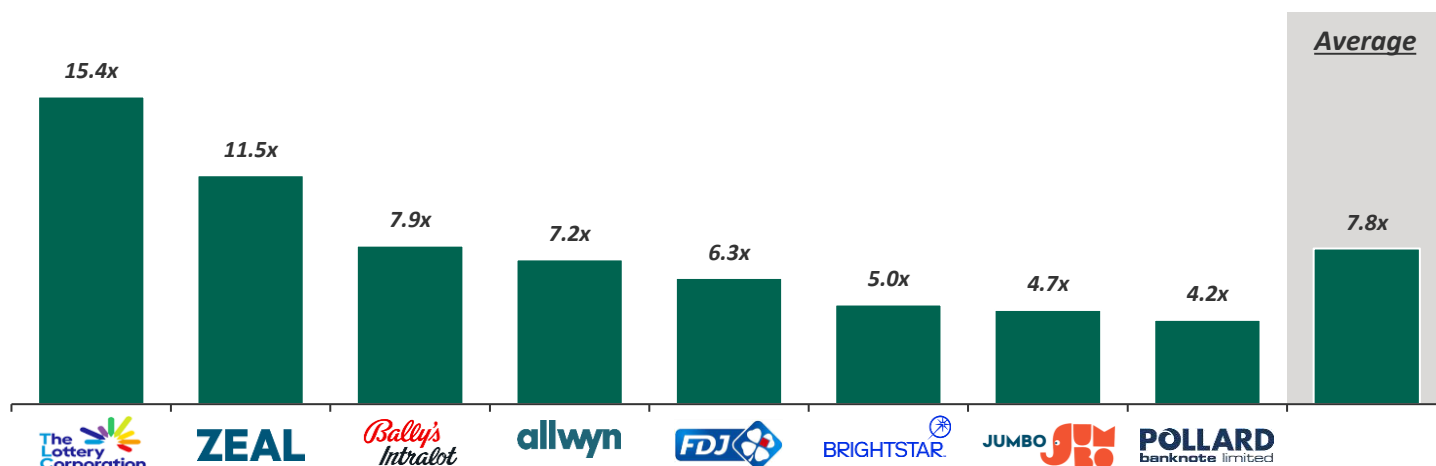


EQUITY RELATIVE VALUE ANALYSIS

(\$ in millions)	5/20/2026				FY 2026E				FY 2027E			
Company	Share Price	% of 52 Wk High	Market Cap	Enterprise Value	Revenue	EBITDA	EV / EBITDA	EV / EBITDA-Capex	Revenue	EBITDA	EV / EBITDA	EV / EBITDA-Capex
iGaming Suppliers												
 BRAGG	1.72	36%	44	48	116	19	2.5x	73.0x	123	22	2.2x	20.2x
 Evolution	76.15	80%	15,170	13,990	2,451	1,603	8.7x	9.8x	2,615	1,709	8.2x	9.2x
 GAMING REALMS	0.44	57%	120	98	42	20	4.9x	14.0x	45	21	4.6x	12.6x
 HACKSAW GAMING	8.78	94%	2,539	2,336	301	249	9.4x	9.9x	390	319	7.3x	7.7x
 playtech	4.89	81%	1,359	1,257	931	251	5.0x	9.1x	999	282	4.5x	7.4x
		Mean	\$3,847	\$3,546	\$768	\$428	6.1x	23.1x	\$834	\$471	5.4x	11.4x
		Median	\$1,359	\$1,257	\$301	\$249	5.0x	9.9x	\$390	\$282	4.6x	9.2x
Other iGaming Suppliers												
 Genius SPORTS	5.02	37%	1,343	1,177	1,004	274	4.3x	6.1x	1,293	401	2.9x	4.0x
 Kambi	16.62	94%	442	417	199	65	6.4x	12.2x	214	76	5.5x	9.6x
 sportradar	13.33	41%	4,156	3,856	1,806	454	8.5x	27.2x	2,062	563	6.9x	19.9x
		Mean	\$1,980	\$1,816	\$1,003	\$264	6.4x	15.2x	\$1,190	\$346	5.1x	11.2x
		Median	\$1,343	\$1,177	\$1,004	\$274	6.4x	12.2x	\$1,293	\$401	5.5x	9.6x

LOTTERY VALUATIONS

EV / FORWARD EBITDA

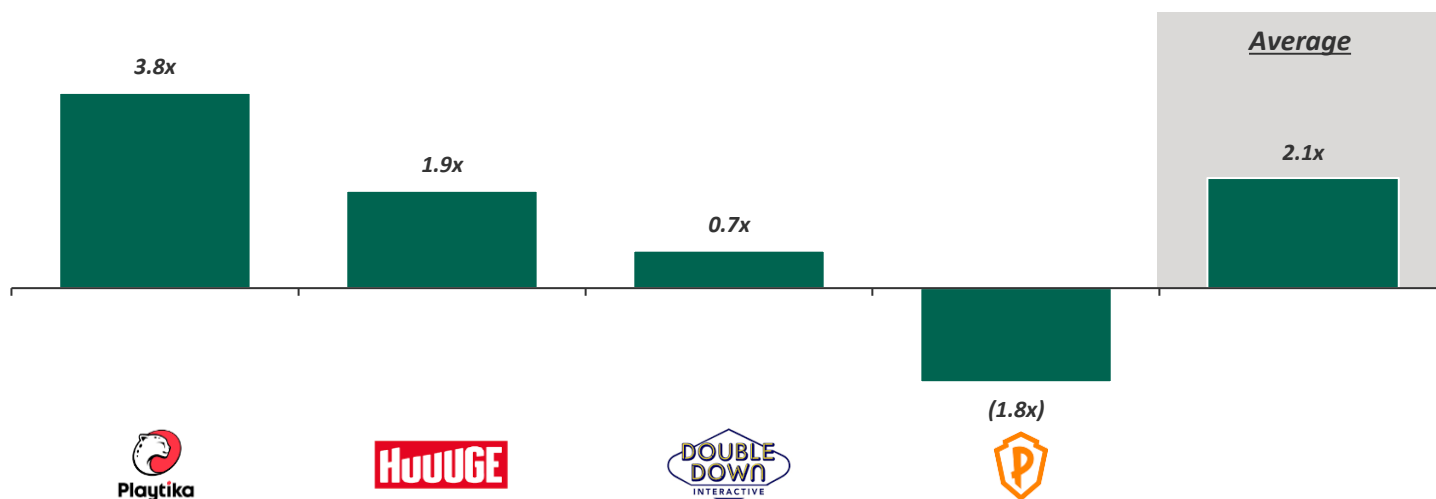


EQUITY RELATIVE VALUE ANALYSIS

(\$ in millions)												
Company	5/20/2026				FY 2025E				FY 2026E			
	Share Price	% of 52 Wk High	Market Cap	Enterprise Value	Revenue	EBITDA	EV / EBITDA	FCF Yield	Revenue	EBITDA	EV / EBITDA	FCF Yield
Lottery												
allwyn	13.65	56%	10,847	16,743	12,062	2,129	7.9x	10.1%	12,805	2,311	7.2x	6.4%
Bally's Intralot	1.30	85%	2,396	4,167	1,332	490	8.5x	4.2%	1,442	526	7.9x	4.3%
BRIGHTSTAR	10.68	58%	1,971	6,064	2,500	1,170	5.2x	N/M	2,574	1,217	5.0x	12.1%
FDJ	26.59	67%	4,908	6,763	4,241	1,000	6.8x	11.7%	4,397	1,072	6.3x	9.1%
JUMBO	4.97	53%	315	362	144	61	5.9x	15.9%	179	77	4.7x	10.1%
POLLARD banknote limited	11.68	68%	316	421	450	85	4.9x	9.0%	474	100	4.2x	7.2%
The Lottery Corporation	3.68	86%	8,197	9,565	2,713	545	17.6x	3.3%	2,986	621	15.4x	N/M
ZEAL	56.42	92%	1,191	1,156	294	85	13.7x	4.1%	328	101	11.5x	5.2%
		Mean	\$3,768	\$5,655	\$2,967	\$695	8.8x	8.3%	\$3,148	\$753	7.8x	7.8%
		Median	\$2,184	\$5,115	\$1,916	\$517	7.3x	9.0%	\$2,008	\$574	6.8x	7.2%

SOCIAL GAMING VALUATIONS

EV / FORWARD EBITDA



EQUITY RELATIVE VALUE ANALYSIS

(\$ in millions)												
Company	5/20/2026				FY 2026E				FY 2027E			
	Share Price	% of 52 Wk High	Market Cap	Enterprise Value	Revenue	EBITDA	EV / EBITDA	FCF Yield	Revenue	EBITDA	EV / EBITDA	FCF Yield
Social Casino Operators												
	12.14	98%	602	107	376	148	0.7x	23.2%	376	148	0.7x	20.6%
	5.87	83%	240	142	213	84	1.7x	24.9%	207	75	1.9x	18.4%
	0.47	29%	60	(37)	224	22	(1.7x)	5.0%	218	20	(1.8x)	1.5%
	3.49	69%	1,328	3,066	2,812	771	4.0x	6.5%	2,858	812	3.8x	7.4%
		Mean	\$7,719	\$8,154	\$1,813	\$383	8.2x	15.0%	\$2,263	\$535	5.1x	12.0%
		Median	\$435	\$408	\$466	\$162	2.8x	14.9%	\$499	\$177	2.6x	12.9%

Source: Company Website & Filings; Investment Research; Citizens Capital Markets & Advisory; Note: Market data as of 5/20/2026

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