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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

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	**84-3626708**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
900 N. Michigan Avenue , Suite 950 **Chicago , Illinois 60611**	**(773) 893-5855**
(Address of principal executive offices, including zip code)	**(Registrant's telephone number, including area code)**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value per share	RSI	The New York Stock Exchange

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 x 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 x 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	x
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	x		

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 31, 2024, there were 83,108,062 shares outstanding of the registrant's Class A common stock, $0.0001 par value per share, and 142,404,310 shares outstanding of the registrant's Class V common stock, $0.0001 per value per share.

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Rush Street Interactive, Inc.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Report") contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended, 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," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "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. Any statements contained herein that are not statements of historical fact may be forward-looking statements.

Our projections, including for revenues, market share, expenses and profitability, are subject to significant risks, assumptions, estimates and uncertainties. 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.

Factors that could cause or contribute to such differences include, but are not limited to, the following:

- 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/or retain customers, which may negatively impact our operations, growth prospects and financial condition;
- economic downturns, such as recessions, inflation, and political and market conditions beyond our control, including a reduction in consumer discretionary spending and sports leagues shortening, delaying or cancelling parts of their seasons or certain events due to external factors such as pandemics or international conflicts, could adversely affect our business, financial condition, results of operations and prospects;
- our growth prospects may suffer if we are unable to develop or maintain competitive offerings, if we fail to pursue additional offerings, if we lose any of our executives or other key employees or if we are unable to scale and support our information technology and other systems and platforms to meet the Company's needs;
- our business is subject to a variety of U.S. and foreign laws (including the laws of Canada, Colombia, 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;
- failure to comply with regulatory requirements or, as necessary or appropriate, 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, vendors and distributors to stop providing services to us;
- 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 customer deposits and withdrawals), and any breach or disruption of such systems or platforms could compromise our networks and the information stored there could be accessed, disclosed, lost, corrupted or stolen;
- we have a history of losses (calculated in accordance with accounting principles generally accepted in the United States) and may continue to incur losses in the future;
- certain of our officers and directors may allocate their time to other businesses and potentially have conflicts of interest with our business;
- 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 and technology of related or third parties that are incorporated into or used in our products and services; and
- other factors described in our Annual Report on Form 10-K for our most recently completed fiscal year, including the "Business", "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures about Market Risk" sections, as

well as described in our other filings with the SEC, such as this Report, our other Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

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 Report, unless required by 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 ("ARPMAU"), 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. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2024	December 31, 2023
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 193,815	$ 168,330
Restricted cash	5,039	2,647
Players' receivables	10,085	10,516
Due from affiliates	16,803	33,471
Prepaid expenses and other current assets	18,465	13,651
Total current assets	**244,207**	**228,615**
Intangible assets, net	78,442	74,874
Property and equipment, net	8,019	8,611
Operating lease assets	2,924	1,276
Other assets	7,144	5,204
Total assets	**$ 340,736**	**$ 318,580**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 31,800	$ 32,347
Accrued expenses	64,773	51,131
Players' liabilities	39,731	42,135
Current deferred royalty liabilities	1,754	1,712
Current operating lease liabilities	772	621
Other current liabilities	8,466	9,747
Total current liabilities	**147,296**	**137,693**
Non-current deferred royalty liabilities	11,505	12,395
Non-current operating lease liabilities	1,724	673
Other non-current liabilities	2,090	1,690
Total liabilities	**162,615**	**152,451**
Commitments and contingencies (Note 12)		
Stockholders' equity		
Class A common stock, $ 0.0001 par value, 750,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 80,481,719 and 72,387,409 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	8	7
Class V common stock, $ 0.0001 par value, 200,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 144,904,310 and 150,434,310 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	14	15
Additional paid-in capital	203,967	192,163
Accumulated other comprehensive loss	(1,406)	(100)
Accumulated deficit	(139,144)	(138,317)
Total stockholders' equity attributable to Rush Street Interactive, Inc.	**63,439**	**53,768**
Non-controlling interests	114,682	112,361
Total stockholders' equity	**178,121**	**166,129**
Total liabilities and stockholders' equity	**$ 340,736**	**$ 318,580**

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	$ 220,379	$ 165,062	$ 437,807	$ 327,423
Operating costs and expenses				
Costs of revenue	144,477	109,853	289,000	217,007
Advertising and promotions	36,944	40,965	75,348	90,905
General and administrative	27,206	20,558	53,074	42,150
Depreciation and amortization	7,555	7,988	14,656	13,743
Total operating costs and expenses	216,182	179,364	432,078	363,805
Income (loss) from operations	**4,197**	**(14,302)**	**5,729**	**(36,382)**
Other income				
Interest income, net	1,917	288	3,476	668
Income (loss) before income taxes	**6,114**	**(14,014)**	**9,205**	**(35,714)**
Income tax expense	6,396	2,720	11,696	5,520
Net loss	**(282)**	**(16,734)**	**(2,491)**	**(41,234)**
Net loss attributable to non-controlling interests	(182)	(11,595)	(1,664)	(28,835)
Net loss attributable to Rush Street Interactive, Inc.	**$ (100)**	**$ (5,139)**	**$ (827)**	**$ (12,399)**
Net loss per common share attributable to Rush Street Interactive, Inc. – basic and diluted	$ (0.00)	$ (0.08)	$ (0.01)	$ (0.19)
Weighted-average common shares outstanding – basic and diluted	80,049,123	67,389,454	78,038,275	66,330,641

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss	**$ (282)**	**$ (16,734)**	**$ (2,491)**	**$ (41,234)**
Other comprehensive income (loss)				
Foreign currency translation adjustment	(3,734)	1,626	(3,633)	1,970
Comprehensive loss	**(4,016)**	**(15,108)**	**(6,124)**	**(39,264)**
Comprehensive loss attributable to non-controlling interests	(2,589)	(10,463)	(4,005)	(27,460)
Comprehensive loss attributable to Rush Street Interactive, Inc.	**$ (1,427)**	**$ (4,645)**	**$ (2,119)**	**$ (11,804)**

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Class A Common Stock		Class V Common Stock					Total		
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity Attributable to RSI	Non-Controlling Interests	Total Stockholders' Equity
Balance at December 31, 2023	**72,387,409**	**$ 7**	**150,434,310**	**$ 15**	**$ 192,163**	**$ (100)**	**$ (138,317)**	**$ 53,768**	**$ 112,361**	**$ 166,129**
Share-based compensation	2,106,202	—	—	—	2,979	—	—	2,979	5,446	8,425
Foreign currency translation adjustment	—	—	—	—	—	35	—	35	66	101
Issuance of Class A Common Stock upon RSILP Unit Exchanges	5,050,000	1	(5,050,000)	(1)	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(727)	(727)	(1,482)	(2,209)
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	4,769	(7)	—	4,762	(4,762)	—
Balance at March 31, 2024 (Unaudited)	**79,543,611**	**8**	**145,384,310**	**14**	**199,911**	**(72)**	**(139,044)**	**60,817**	**111,629**	**172,446**
Share-based compensation	458,108	—	—	—	3,460	—	—	3,460	6,231	9,691
Foreign currency translation adjustment	—	—	—	—	—	(1,327)	—	(1,327)	(2,407)	(3,734)
Issuance of Class A Common Stock upon RSILP Unit Exchanges	480,000	—	(480,000)	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(100)	(100)	(182)	(282)
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	596	(7)	—	589	(589)	—
Balance at June 30, 2024 (Unaudited)	**80,481,719**	**$ 8**	**144,904,310**	**$ 14**	**$ 203,967**	**$ (1,406)**	**$ (139,144)**	**$ 63,439**	**$ 114,682**	**$ 178,121**

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

	Class A Common Stock		Class V Common Stock			Accumulated		Total Stockholders'		
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Other Comprehensive Loss	Accumulated Deficit	Equity Attributable to RSI	Non-Controlling Interests	Total Stockholders' Equity
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	702,759	—	—	—	2,330	—	—	2,330	5,345	7,675
Foreign currency translation adjustment	—	—	—	—	—	101	—	101	243	344
Issuance of Class A Common Stock upon RSILP Unit Exchanges	1,500,000	1	(1,500,000)	(1)	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(7,260)	(7,260)	(17,240)	(24,500)
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	1,565	(47)	—	1,518	(1,518)	—
Balance at March 31, 2023 (Unaudited)	**67,314,375**	**7**	**154,455,584**	**15**	**181,578**	**(1,594)**	**(127,272)**	**52,734**	**121,659**	**174,393**
Share-based compensation	238,765	—	—	—	2,288	—	—	2,288	5,230	7,518
Foreign currency translation adjustment	—	—	—	—	—	494	—	494	1,132	1,626
Issuance of Class A Common Stock upon RSILP Unit Exchanges	13,892	—	(13,892)	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(5,139)	(5,139)	(11,595)	(16,734)
Allocation of equity and non-controlling interests upon changes in RSILP ownership	—	—	—	—	137	(3)	—	134	(134)	—
Balance at June 30, 2023 (Unaudited)	**67,567,032**	**$ 7**	**154,441,692**	**$ 15**	**$ 184,003**	**$ (1,103)**	**$ (132,411)**	**$ 50,511**	**$ 116,292**	**$ 166,803**

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net loss	$ (2,491)	$ (41,234)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Share-based compensation expense	18,116	15,193
Depreciation and amortization expense	14,656	13,743
Deferred income taxes	(838)	—
Noncash lease expense	468	320
Long-lived assets write-off	—	683
Changes in operating assets and liabilities:		
Players' receivables	196	2,370
Due from affiliates	16,668	6,112
Prepaid expenses and other assets	(5,496)	(2,112)
Accounts payable	50	(11,902)
Accrued expenses and other liabilities	11,690	(15,613)
Players' liabilities	(1,901)	(4,715)
Net cash provided by (used in) operating activities	**51,118**	**(37,155)**
Cash flows from investing activities		
Purchases of property and equipment	(630)	(752)
Acquisition of gaming licenses	(3,364)	(6,446)
Internally developed software costs	(12,487)	(11,447)
Media content production costs	(576)	(470)
Short-term investments	(1,862)	—
Net cash used in investing activities	**(18,919)**	**(19,115)**
Cash flows from financing activities		
Principal payments of finance lease liabilities	(455)	(247)
Net cash used in financing activities	**(455)**	**(247)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3,867)	1,865
Net change in cash, cash equivalents and restricted cash	27,877	(54,652)
Cash, cash equivalents and restricted cash, at the beginning of the period [1]	170,977	206,081
Cash, cash equivalents and restricted cash, at the end of the period [1]	**$ 198,854**	**$ 151,429**

	Six Months Ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Supplemental disclosure of noncash investing and financing activities:		
Right-of-use assets obtained in exchange for new or modified operating lease liabilities	$ 1,582	$ —
Right-of-use assets obtained in exchange for new or modified finance lease liabilities	$ 983	$ 1,445
Allocation of equity and non-controlling interests upon changes in RSILP ownership	$ 5,351	$ 1,652
Property and equipment purchases in Accounts Payable and Accrued Expenses	$ 26	$ 132
Capitalized intangible assets in Accounts Payable and Accrued Expenses	$ 497	$ 70
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 14,994	$ 7,248
Cash paid for interest	$ 502	$ 453

(1) Cash and cash equivalents and Restricted cash are each presented separately on the condensed consolidated balance sheets.

See accompanying notes to unaudited condensed consolidated financial statements.

RUSH STREET INTERACTIVE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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.

2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and the applicable regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K, as filed with the SEC on March 7, 2024.

These unaudited condensed consolidated financial statements include the accounts of the Company, its directly and indirectly wholly owned subsidiaries, and all entities in which the Company has a controlling interest. RSI is deemed to have a controlling interest of RSILP through its wholly owned subsidiary, RSI GP, LLC ("RSI GP"), which is the sole general partner of RSILP. 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 condensed consolidated balance sheets and condensed consolidated statements of changes in equity. The portion of net loss attributable to the non-controlling interests is presented as net loss attributable to non-controlling interests in the Company's condensed consolidated statements of operations, while the portion of comprehensive loss attributable to non-controlling interests is reported as comprehensive loss attributable to non-controlling interests in the Company's condensed consolidated statements of comprehensive loss. All intercompany accounts and transactions have been eliminated upon consolidation.

The Company is organized as an umbrella partnership-C corporation ("UP-C"), resulting from the transactions contemplated in the Business Combination Agreement, dated as of July 27, 2020, among RSILP, the sellers set forth on the signature pages thereto (collectively, the "Sellers" and each, a "Seller"), dMY Sponsor, LLC (the "Sponsor") and Rush Street Interactive GP, LLC (as amended and/or restated from time to time, the "Business Combination Agreement" and the transactions contemplated thereby, the "Business Combination"). As an UP-C, substantially all of the combined company's assets are held by RSILP and the Company's primary assets are its equity interests in RSILP (which are held indirectly through wholly owned subsidiaries of the Company – RSI ASLP, Inc. (the "Special Limited Partner") and RSI GP). The non-controlling interest represents the Class A Common Units of RSILP ("RSILP Units") held by holders other than the Company. As of June 30, 2024, the Company owned 35.71 % of the RSILP Units and the holders of the non-controlling interest owned 64.29 % of the RSILP Units.

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 unaudited condensed consolidated financial statements.

Interim Unaudited Condensed Consolidated Financial Statements

The accompanying condensed consolidated balance sheet as of June 30, 2024 and the condensed consolidated statements of operations, comprehensive loss, changes in equity and cash flows for the three and six months ended June 30, 2024 and 2023 are unaudited. The condensed consolidated balance sheet as of December 31, 2023 was derived from audited consolidated financial statements, but may omit certain disclosures required by U.S. GAAP previously disclosed in the most recent annual consolidated financial statements. The interim unaudited condensed consolidated financial statements have been prepared on a basis consistent with the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company's financial condition, its operations and cash flows for the periods presented. The historical results are not necessarily indicative of future results, and the results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the full year or any future period.

Use of Estimates

The preparation of condensed 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 unaudited condensed 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 condensed consolidated financial statements relate to and include, but are not limited to: the valuation of share-based awards; internally developed software; long-lived assets and investments in equity; estimated useful lives of property and equipment and intangible assets; redemption rate assumptions associated with the loyalty program and other discretionary player bonuses; deferred revenue; accrued expenses; determination of the incremental borrowing rate to calculate operating lease liabilities and finance lease liabilities; and deferred taxes and amounts associated with the tax receivable agreement ("TRA") entered into in connection with the closing of the transactions contemplated in the Business Combination Agreement on December 29, 2020.

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.

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 June 30, 2024 and December 31, 2023, the Company had prepaid expenses of $ 7.6 million and $ 7.5 million, respectively.

Short-term investments consist of certificates of deposit with an original maturity greater than three months but less than one year. As of June 30, 2024 and December 31, 2023, the Company had short-term investments of $ 4.6 million and $ 3.1 million, respectively.

Surety Bonds

The Company had been issued $ 30.0 million and $ 28.0 million in surety bonds as of June 30, 2024 and December 31, 2023, respectively, that are used to satisfy regulatory requirements related to securing cash held for the benefit of customers.

The Company had been issued $ 4.6 million in surety bonds as of June 30, 2024 and December 31, 2023 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 expected to be remote.

Foreign Currency Gains and Losses

The financial statements of foreign subsidiaries are translated into U.S. dollars in accordance with Accounting Standards Codification ("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. The U.S. dollar effects that arise from translating the net assets of these subsidiaries at changing rates are recorded in the foreign currency translation adjustment account, which is included in equity as a component of accumulated other comprehensive 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 were $ 1.3 million and $ 1.7 million for the three and six months ended June 30, 2024, respectively, compared to gains of $ 1.1 million and $ 1.5 million for the same respective periods in 2023. Amounts are recorded in general and administrative on the Company's unaudited condensed consolidated statements of operations.

Recently Adopted Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-6, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. This ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, and it also simplifies the diluted earnings per share calculation in certain areas. This ASU is effective for the Company in calendar year 2024. The Company adopted ASU 2020-6 and the adoption did not have a material impact on its condensed consolidated financial statements and related disclosures.

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280).* The amendments in this ASU require disclosures, on an annual and interim basis, of significant segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM"), as well as the aggregate amount of other segment items included in the reported measure of segment profit or loss. This ASU requires that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss. Public entities will be required to provide all annual disclosures currently required by Topic 280 in interim periods, and entities with a single reportable segment are required to provide all the disclosures required by the amendments in the update and existing segment disclosures in Topic 280. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective adoption. Early adoption is permitted. The Company will adopt this standard beginning with its fiscal year ending December 31, 2024. The Company is currently evaluating these new disclosure requirements and does not expect the adoption to have a material impact.

In December 2023, the FASB issued 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. The amendments are effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. The Company is currently evaluating the impact of these new disclosure requirements on its condensed consolidated financial statements and does not expect the adoption to have a material impact.

3. Revenue Recognition

The Company's revenue from contracts with customers is derived from 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) and slot machines. The Company generates revenue from these offerings through hold, or gross winnings, as customers play against the house. Online casino revenue is generated based on total customer bets less

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amounts paid to customers for winning bets, less other incentives awarded to customers, plus or minus the changes in unsettled bets and the progressive jackpot liability.

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.

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 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.

Disaggregation of revenue for the three and six months ended June 30, 2024 and 2023, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands)	**2024**	**2023**	**2024**	**2023**
Online casino and online sports betting	$ 218,849	$ 160,746	$ 434,471	$ 318,418
Retail sports betting	461	3,272	1,169	6,935
Social gaming	1,069	1,044	2,167	2,070
Total revenue	**$ 220,379**	**$ 165,062**	**$ 437,807**	**$ 327,423**

Revenue by geographic region for the three and six months ended June 30, 2024 and 2023, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands)	**2024**	**2023**	**2024**	**2023**
United States and Canada	$ 188,513	$ 146,610	$ 377,050	$ 293,307
Latin America, including Mexico	31,866	18,452	60,757	34,116
Total revenue	**$ 220,379**	**$ 165,062**	**$ 437,807**	**$ 327,423**

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Deferred revenue associated with online casino and online sports betting revenue and retail sports betting revenue includes unsettled customer bets and is included within players' liabilities in the condensed consolidated balance sheets.

The deferred revenue balances as of June 30, 2024 and 2023 were as follows:

	Six Months Ended June 30,	
($ in thousands)	**2024**	**2023**
Deferred revenue, beginning of period	$ 7,013	$ 7,840
Deferred revenue, end of period	$ 6,582	$ 4,963
Revenue recognized during the period from amounts included in deferred revenue at the beginning of the period	$ 7,013	$ 7,840

4. Intangible Assets, Net

The Company had the following intangible assets, net as of June 30, 2024 and December 31, 2023:

($ in thousands)	**Weighted-Average Remaining Amortization Period (years)**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**
License Fees				
June 30, 2024	7.08	$ 52,366	$ (18,366)	$ 34,000
December 31, 2023	7.75	$ 61,015	$ (25,946)	$ 35,069
Internally Developed Software				
June 30, 2024	2.29	$ 56,308	$ (19,865)	$ 36,443
December 31, 2023	2.37	$ 43,868	$ (12,601)	$ 31,267
Developed Technology				
June 30, 2024	5.50	$ 5,931	$ (1,853)	$ 4,078
December 31, 2023	6.00	$ 5,931	$ (1,483)	$ 4,448
Other intangible assets [1]				
June 30, 2024	2.60	$ 6,470	$ (2,549)	$ 3,921
December 31, 2023	3.15	$ 5,873	$ (1,783)	$ 4,090

(1) Other intangible assets include trademark, media content and customer lists.

Amortization expense was $ 6.7 million and $ 12.8 million for the three and six months ended June 30, 2024, respectively, compared to amortization expense of $ 6.8 million and $ 11.5 million for the same respective periods in 2023.

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5. Property and Equipment, net

The Company had the following property and equipment, net as of June 30, 2024 and December 31, 2023:

($ in thousands)	**June 30, 2024**	**December 31, 2023**
Computers, software and related equipment	$ 4,342	$ 4,259
Operating equipment and servers	3,090	4,779
Furniture	1,169	782
Leasehold improvements	1,832	1,805
Property and equipment not yet placed into service	323	610
Total property and equipment	10,756	12,235
Less: accumulated depreciation	(6,907)	(7,641)
	3,849	**4,594**
Finance lease right-of-use assets	6,045	5,519
Less: accumulated amortization	(1,875)	(1,502)
	4,170	**4,017**
Property and equipment, net	**$ 8,019**	**$ 8,611**

The Company recorded depreciation expense on property and equipment of $ 0.5 million and $ 1.1 million for the three and six months ended June 30, 2024, respectively, compared to depreciation expense of $ 0.9 million and $ 1.7 million for the same respective periods in 2023. The Company recorded amortization expense on finance lease right-of-use assets of $ 0.4 million and $ 0.8 million for the three and six months ended June 30, 2024, respectively, and $ 0.3 million and $ 0.5 million for the same respective periods in 2023.

6. Accrued Expenses and Other Current Liabilities

The Company has the following accrued expenses as of June 30, 2024 and December 31, 2023:

($ in thousands)	**June 30, 2024**	**December 31, 2023**
Accrued operating expenses	$ 32,793	$ 21,748
Accrued marketing expenses	14,294	10,119
Accrued compensation and related expenses	10,904	13,781
Accrued administrative expenses	6,152	4,706
Accrued other expenses	630	777
Total accrued expenses	**$ 64,773**	**$ 51,131**

Other current liabilities includes income tax payable totaling $ 6.2 million and $ 8.1 million as of June 30, 2024 and December 31, 2023, respectively.

7. Stockholders' Equity

Non-Controlling Interests

Non-controlling interests represents the RSILP Units held by holders other than the Company.

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Non-controlling interests owned 64.29 % and 67.51 % of the RSILP Units outstanding as of June 30, 2024 and December 31, 2023, respectively. The table below illustrates a rollforward of the non-controlling interests' ownership during the six months ended June 30, 2024:

	Non-Controlling Interest %
Non-controlling interests ownership % as of December 31, 2023:	67.51 %
Issuance of Class A Common Stock upon RSILP Unit Exchanges	(2.48)%
Issuance of Class A Common Stock in connection with the vesting of certain share-based equity grants	(0.74)%
Non-controlling interests ownership % as of June 30, 2024:	**64.29 %**

Non-controlling interests owned 69.57 % and 70.55 % of the RSILP Units outstanding, as of June 30, 2023 and December 31, 2022, respectively. The table below illustrates a rollforward of the non-controlling interests' ownership during the six months ended June 30, 2023:

	Non-Controlling Interest %
Non-controlling interests ownership % as of December 31, 2022:	70.55 %
Issuance of Class A Common Stock upon RSILP Unit Exchanges	(0.68)%
Issuance of Class A Common Stock in connection with the vesting of certain share-based equity grants	(0.30)%
Non-controlling interests ownership % as of June 30, 2023:	**69.57 %**

8. Share-Based Compensation

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.

In 2023, the Compensation Committee of the Board and the full Board each approved an amendment to the 2020 Plan to increase the number of shares of Class A Common Stock reserved under the 2020 Plan by 22.4 million shares, with the Company's stockholders approving such amendment at the Company's 2023 annual meeting of stockholders on June 1, 2023. There are 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") and Options

The Company granted 1,989,288 and 2,498,739 RSUs with service conditions during the six months ended June 30, 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 1,152,122 and 1,495,303 RSUs with market-based conditions (e.g., share price targets, total shareholder return) during the six months ended June 30, 2024 and 2023, respectively. RSUs with market-based conditions generally vest over a three-year period and fair value was determined using a Monte Carlo simulation using the following assumptions during the six months ended June 30:

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

The Company granted 630,897 and 1,084,445 stock options during the six months ended June 30, 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 six months ended June 30:

	2024	2023
Volatility rate	68.00 %	70.00 %
Risk-free interest rate	4.30 %	3.80 %
Average expected life (in years)	6.0	6.0
Dividend yield	None	None
Stock price at grant date	$ 5.79	$ 3.28
Exercise price	$ 5.79	$ 3.28

RSU activity for the six months ended June 30, 2024 and 2023 was as follows:

	Number of units	Weighted-average grant price
Unvested balance at December 31, 2023	9,218,142	$ 5.70
Granted	3,141,410	7.06
Vested[(1)]	(2,008,720)	5.03
Forfeited	(69,295)	7.75
Unvested balance at June 30, 2024	**10,281,537**	**$ 6.23**
Unvested balance at December 31, 2022	7,492,613	$ 7.48
Granted	3,994,042	4.12
Vested[(1)]	(1,144,771)	4.37
Forfeited	(53,845)	11.26
Unvested balance at June 30, 2023	**10,288,039**	**$ 6.51**

(1) Includes 297,320 and 203,247 of RSUs that vested during the six months ended June 30, 2024 and 2023, respectively, but the resulting shares of Class A Common Stock have not yet been issued. There were 549,039 and 840,164 RSUs that vested for which the resulting shares of Class A Common Stock were not issued as of June 30, 2024 and 2023, respectively.

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The aggregate fair value of the RSUs granted during the three and six months ended June 30, 2024 was approximately $ 1.2 million and $ 22.2 million, respectively, compared to the aggregate fair value of the RSUs granted of nil and $ 16.5 million for the same respective periods in 2023. The aggregate grant date fair value of RSUs vested during the three and six months ended June 30, 2024 was approximately $ 4.1 million and $ 10.1 million, respectively, compared to $ 1.4 million and $ 5.0 million for the same respective periods in 2023.

As of June 30, 2024, the Company had unrecognized share-based compensation expense related to RSUs of $ 42.3 million. The outstanding RSUs had a remaining weighted-average vesting period of 1.07 years as of June 30, 2024.

Stock option activity for the six months ended June 30, 2024 was as follows:

	Number of options		Weighted-average exercise price
Outstanding balance at December 31, 2023	1,971,611	$	4.16
Granted	630,897		5.79
Exercised	—		—
Forfeited	—		—
Outstanding balance at June 30, 2024	**2,602,508**	**$**	**4.56**
Exercisable balance at June 30, 2024	**721,761**	**$**	**5.17**

Stock option activity for the six months ended June 30, 2023 was as follows:

	Number of options		Weighted-average exercise price
Outstanding balance at December 31, 2022	887,166	$	5.24
Granted	1,084,445		3.28
Exercised	—		—
Forfeited	—		—
Outstanding balance at June 30, 2023	**1,971,611**	**$**	**4.16**

The weighted-average grant-date fair values of options granted during the three and six months ended June 30, 2024 was nil and $ 3.74 , respectively, compared to nil and $ 2.14 for the same periods in 2023. The aggregate fair value of stock options granted during the three and six months ended June 30, 2024 was nil and $ 2.4 million, respectively, compared to nil and $ 2.3 million for the same respective periods in 2023. The outstanding stock options and exercisable stock options as of June 30, 2024 had an intrinsic value of $ 13.7 million and $ 3.8 million, respectively.

As of June 30, 2024, the Company had unrecognized share-based compensation expense related to stock options of $ 4.2 million. The outstanding options had a remaining weighted-average vesting period of 1.11 years as of June 30, 2024.

Share-based compensation expense for the three and six months ended June 30, 2024 and 2023 was as follows:

	Three Months Ended June 30, 2024				Six Months Ended June 30,			
($ in thousands)		2024		2023		2024		2023
Costs of revenue	$	295	$	269	$	565	$	526
Advertising and promotions		690		559		1,260		1,095
General and administrative		8,706		6,690		16,291		13,572
Total share-based compensation expense	**$**	**9,691**	**$**	**7,518**	**$**	**18,116**	**$**	**15,193**

9. Income Taxes

Income tax expense for the three and six months ended June 30, 2024 and 2023 was as follows:

	Three Months Ended June 30, 2024		Six Months Ended June 30,	
($ in thousands)	**2024**	**2023**	**2024**	**2023**
Income tax expense	$ 6,396	$ 2,720	$ 11,696	$ 5,520

The Company recognized federal, state and foreign income tax expense of $ 6.4 million and $ 11.7 million during the three and six months ended June 30, 2024, respectively, compared to $ 2.7 million and $ 5.5 million during the same periods in 2023. The effective tax rates for the three and six months ended June 30, 2024 were 104.6 % and 127.1 %, respectively, and were (19.4)% and (15.5)% during the same periods in 2023. The difference between the Company's effective tax rate and the U.S. statutory tax rate of 21% was primarily due to a full valuation allowance recorded on the Company's net U.S. deferred tax assets, non-taxable income / (loss) attributable to non-controlling interest and income tax rate differences related to the Company's Colombia operations for which both current and deferred taxes were recorded. The Company evaluates the realizability of the deferred tax assets on a quarterly basis and establishes a valuation allowance when it is more likely than not that all or a portion of a deferred tax asset may not be realized.

In connection with the Business Combination, the Special Limited Partner entered into the TRA, which generally provides that it pay 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.

Based primarily on historical losses of RSILP, management has determined it is more-likely-than-not that the Company will be unable to utilize its deferred tax assets subject to the TRA; therefore, management applies a full valuation allowance to deferred tax asset or a corresponding liability under the TRA related to the tax savings the Company may realize from the utilization of tax deductions related to basis adjustments created by the transactions in the Business Combination Agreement. The unrecognized TRA liability as of June 30, 2024 and December 31, 2023 was $ 74.2 million and $ 63.7 million, respectively. The increase in the liability is primarily due to the issuance of Class A Common Stock upon RSILP Unit exchanges. Due to the fact that the Company's deferred tax assets and corresponding TRA liability are unrecognized, this increase had no impact on the condensed consolidated statements of operations and condensed consolidated statements of comprehensive loss.

10. Loss Per Share

The basic and diluted loss per share for the three and six months ended June 30, 2024 and 2023 were as follows (amounts in thousands, except for share and per share amounts):

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Numerator:				
Net loss	$ (282)	$ (16,734)	$ (2,491)	$ (41,234)
Less: Net loss attributable to non-controlling interests	(182)	(11,595)	(1,664)	(28,835)
Net loss attributable to Rush Street Interactive, Inc. – basic and diluted	**$ (100)**	**$ (5,139)**	**$ (827)**	**$ (12,399)**
Denominator:				
Weighted-average common shares outstanding – basic and diluted	80,049,123	67,389,454	78,038,275	66,330,641
Loss per Class A Common Share - basic and diluted	$ (0.00)	$ (0.08)	$ (0.01)	$ (0.19)

The Class V Common Stock does not participate in the Company's earnings or losses and is therefore not a participating security. 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.

The Company excluded the following securities from its computation of diluted shares outstanding for the three and six months ended June 30, 2024 and 2023 as their effect would have been anti-dilutive:

	2024	2023
RSILP Units [1]	144,904,310	154,441,692
Unvested RSUs	10,281,537	10,288,039
Vested RSUs (Class A Common Stock not yet issued)	549,039	840,164
Outstanding Stock Options	2,602,508	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 cancelled.

11. Related Parties

Affiliated Land-Based Casinos

Neil Bluhm and his adult children (including Ms. Leslie Bluhm), 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 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 or other consideration received as defined in the applicable 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 or for marketing gaming offerings under the land-based casinos' brand. Royalties related to arrangements with affiliated casinos were $ 17.8 million and $ 33.4 million for the three and six months ended June 30, 2024 compared to $ 13.6 million and $ 21.3 million for the same periods in 2023, 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 condensed consolidated statements of operations.

In certain cases, the affiliate casino maintains the bank account that processes cash deposits and withdrawals for the Company's customers. Accordingly, at any point in time, the Company will record a receivable from the affiliate, representing the Company's total gaming revenue (with customers) that was collected by the affiliate, less consideration payable to the affiliate for use of its license, which is offset by any consideration owed to the Company from the affiliate based on the terms of the applicable agreement. Receivables due from affiliated land-based casinos were $ 16.8 million and $ 33.5 million at June 30, 2024 and December 31, 2023, respectively.

In addition, the Company provides retail sports services to certain affiliated land-based casinos in exchange for a monthly commission based on the casino's retail sportsbook revenue. Services generally include ongoing management and oversight of the retail sportsbook, technical support for the casino's customers, risk management, advertising and promotion, and support for third-party vendors' sports betting equipment. Revenue recognized relating to retail sports services provided to affiliated land-based casinos for the three and six months ended June 30, 2024 and 2023 were not material to the condensed 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.

12. 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 where the Company is obligated to make future minimum payments under the non-cancelable terms of these contracts as follows ($ in thousands):

Remainder of 2024	$	11,430
Year ending December 31, 2025		10,208
Year ending December 31, 2026		7,290
Year ending December 31, 2027		6,306
Year ending December 31, 2028		4,775
Thereafter		21,760
Total(1)	**$**	**61,769**

(1) Includes obligations under license and market access commitments totaling $ 40.7 million, obligations under non-cancelable contracts with marketing vendors totaling $ 14.9 million and non-cancelable lease contracts totaling $ 6.2 million. Certain market access arrangements require the Company to make additional payments at a contractual milestone date if the market access fees paid through that milestone date do not meet a minimum contractual threshold. In these instances, the Company calculates the 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.

Item 2. 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 Annual Report on Form 10-K for the year ended December 31, 2023 (our "Annual Report"), and our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "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 Report captioned "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors." For a discussion of limitations in measuring certain of our key metrics, see the section of this Report captioned "Limitations of Key Metrics and Other Data."

This Management's Discussion and Analysis of Financial Condition and Results of Operations 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 Report 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 Report should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures. Reconciliations of Adjusted EBITDA to Net Loss, the most comparable GAAP measure, are provided in this Report.

Unless the context requires otherwise, all references in this Report to the "Company," "we," "us," or "our" refer to 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. 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 15 U.S. states and the four international markets as outlined in the table below.

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

* Launched online casino and online sports betting in July 2024.

Our real-money online casino and online sports betting offerings are currently 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/or partner specific, and is based on brand awareness, market research, marketing efficiency, contractual obligations and applicable gaming rules and regulations.

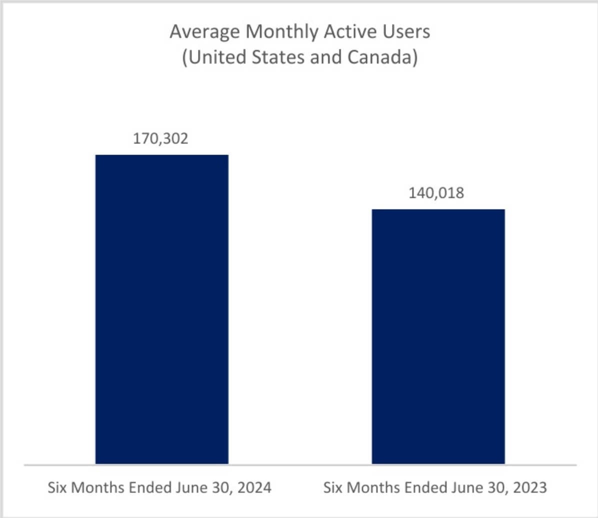
Trends in Key Metrics

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 or online sports betting offerings. 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.

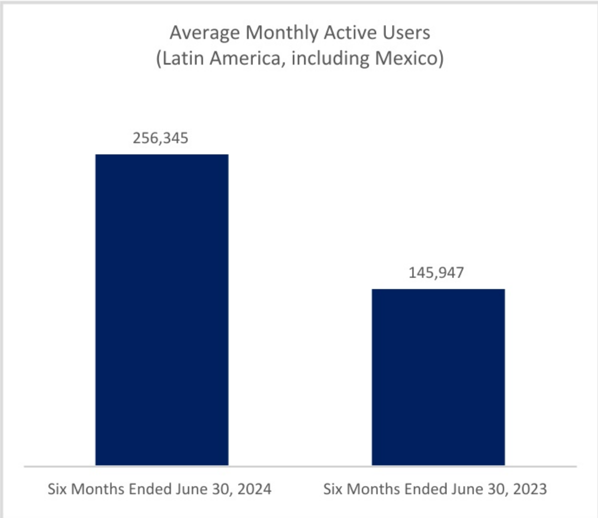
MAUs is a key indicator of the scale of our user base and awareness of our brands. We believe that year-over-year MAUs is also generally indicative of the long-term revenue growth potential of our business, although MAUs in individual periods may be less indicative of our longer-term expectations. We 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 six months ended June 30, 2024 and 2023:



The increase in MAUs in the United States and Canada was mainly due to our continued growth and strong customer retention rates in existing markets and expansion into new markets such as Delaware, which was partially offset by our exit from the Connecticut market. Additionally, we continue to achieve a positive response from our strategic advertising and marketing efforts.

The chart below presents our average MAUs in Latin America (including Mexico) for the six months ended June 30, 2024 and 2023:

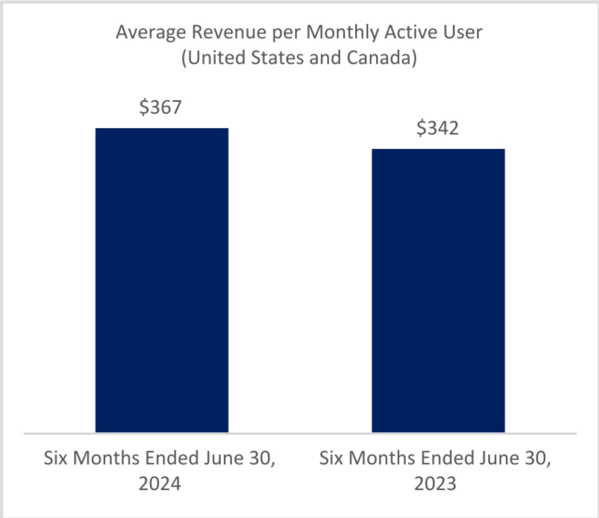


The increase in MAUs in Latin America was mainly due to our continued growth and strong customer retention rates in Colombia and Mexico. Additionally, we continue to achieve a positive response from our strategic advertising and marketing efforts.

Average Revenue Per Monthly Active User

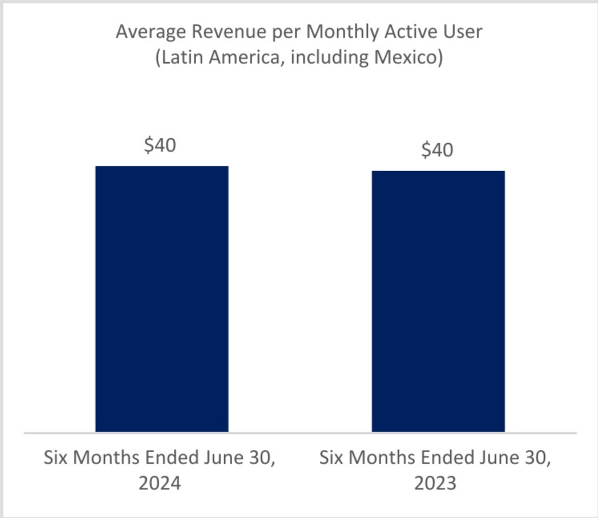
ARPMAU for an applicable period is monthly revenue divided by average MAUs. This key metric represents our ability to drive usage and monetization of our online offerings.

The chart below presents our ARPMAU in the United States and Canada for the six months ended June 30, 2024 and 2023:



The year-over-year increase in ARPMAU in the United States and Canada was mainly due to our continued growth in markets that launched during 2023 where we offer online casino in addition to online sports betting, such as Delaware, the impact of our strategic advertising and marketing efforts in other markets where offer online casino and our focus on retaining quality players.

The chart below presents our ARPMAU in Latin America (including Mexico) for the six months ended June 30, 2024 and 2023:



ARPMAU in Latin America remained consistent overall at $40 for the six months ended June 30, 2024 and 2023. Latin America ARPMAU was impacted by continued growth in Mexico, favorable foreign exchange rates, and outsized MAU growth which was accompanied by MAUs of varying average revenue.

Non-GAAP Information

This Report 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 or expense, income taxes, depreciation and amortization, share-based compensation, adjustments for certain one-time or non-recurring items and other adjustments. Adjusted EBITDA excludes certain expenses that are required in accordance with GAAP because certain expenses are either non-cash (i.e., depreciation and amortization, share-based compensation) or are not related to our underlying business performance (i.e., interest income or expense).

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 loss, the most directly comparable GAAP measure, for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands)	**2024**	**2023**	**2024**	**2023**
Net loss	**$ (282)**	**$ (16,734)**	**$ (2,491)**	**$ (41,234)**
Interest income, net	(1,917)	(288)	(3,476)	(668)
Income tax expense	6,396	2,720	11,696	5,520
Depreciation and amortization	7,555	7,988	14,656	13,743
Share-based compensation expense	9,691	7,518	18,116	15,193
Adjusted EBITDA	**$ 21,443**	**$ 1,204**	**$ 38,501**	**$ (7,446)**

Key Components of Revenue and Expenses

Revenue

We currently offer real-money online casino, online sports betting and/or retail sports betting in 15 U.S. states, Colombia, Mexico, Ontario, Canada and Peru. We also provide social gaming (where permitted), where users can earn or purchase 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. 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) and slot machines. For these offerings, similar to bricks-and-mortar casinos, we generate revenue through hold, or gross winnings, as customers play against the house. 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 and a small number of proprietary games that were developed in-house or at our direction 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.

Online casino 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 changes in unsettled bets and the progressive jackpot reserve.

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 changes in unsettled retail sports bets and unclaimed retail tickets for settled retail bets.

Social Gaming

We provide social gaming (where permitted) where users can earn or purchase virtual credits to enjoy free-to-play games. Users who exhaust their credits can either purchase additional virtual credits from the virtual cashier 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, (ii) 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. Other than salaries, bonuses, benefits and share-based compensation, these costs are primarily variable in nature and should typically correlate with the change in revenue. Revenue share and market access fees consist primarily of 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 platform and content fees are primarily driven by costs associated with third-party casino content, data and streaming, sports betting trading services and certain elements of our platform technology, such as geolocation and know-your-customer. Gaming taxes relate to state taxes that are determined on a jurisdiction-by-jurisdiction basis, or federal excise taxes that are determined based on a percentage of the total online sports and retail sports bets placed. We incur payment processing costs on customer deposits, withdrawals and occasionally chargebacks (i.e., when a payment processor contractually disallows customer deposits in the normal course of business).

Advertising and Promotions Costs. Advertising and promotions costs consist primarily of costs associated with marketing our offerings via different channels, promotional activities and related customer acquisition costs. 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, 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 a significant benefit in maintaining the flexibility to reallocate advertising spending across channels based on the latest marketing data, ensuring continuous alignment with our overall marketing strategy.

General and Administrative. General and administrative expenses consist primarily of administrative personnel costs, including salaries, bonuses and benefits, share-based compensation expense for dedicated personnel, professional fees related to legal, compliance, audit and consulting services, software, rent and insurance costs.

Depreciation and Amortization. Depreciation and amortization expense consists of depreciation on property and equipment and amortization of intangible assets (including market access licenses, gaming jurisdictional licenses, internally developed software, trademarks, developed technology, media content and customer lists) and finance lease right-of-use assets over their useful lives.

Results of Operations

The following tables set forth a summary of our consolidated results of operations for the interim periods indicated and the changes between periods. We have derived this data from our unaudited condensed consolidated financial statements included elsewhere in this Report. The results of historical periods are not necessarily indicative of the results of operations for any future period.

Comparison of the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,		Change	
($ in thousands)	**2024**	**2023**	**$**	**%**
Revenue	$ 220,379	$ 165,062	$ 55,317	34 %
Costs of revenue	144,477	109,853	34,624	32 %
Advertising and promotions	36,944	40,965	(4,021)	(10)%
General and administrative	27,206	20,558	6,648	32 %
Depreciation and amortization	7,555	7,988	(433)	(5)%
Income (loss) from operations	**4,197**	**(14,302)**	**18,499**	**(129)%**
Interest income, net	1,917	288	1,629	566 %
Income (loss) before income taxes	**6,114**	**(14,014)**	**20,128**	**(144)%**
Income tax expense	6,396	2,720	3,676	135 %
Net loss	**$ (282)**	**$ (16,734)**	**$ 16,452**	**(98)%**

Revenue. Revenue increased by $55.3 million, or 34%, to $220.4 million for the three months ended June 30, 2024 as compared to $165.1 million for the same period in 2023. The increase was mainly due to and directly correlated with our continued growth across existing markets and expansion into the new market of Delaware, which launched after June 2023. The increase reflects higher period-over-period online casino and sports betting revenue of $58.1 million. This was partly offset by a decrease in retail sports betting revenue of $2.8 million, which was attributable to the Company's exit from the Connecticut market.

Costs of Revenue. Costs of revenue increased by $34.6 million, or 32%, to $144.5 million for the three months ended June 30, 2024 as compared to $109.9 million for the same period in 2023. The increase was mainly due to and directly correlated with our expansion and continued growth as noted above. Market access costs, gaming taxes, operating expenses, and payment processing costs contributed $13.3 million, $12.4 million, $6.0 million and $2.2 million, respectively, to the period-over-period increase in costs of revenue. Personnel costs contributed to the remainder of the period-over-period increase. Costs of revenue as a percentage of revenue decreased to 66% for the three months ended June 30, 2024 as compared to 67% for the same period in 2023.

Advertising and Promotions. Advertising and promotions expense decreased by $4.0 million, or 10%, to $37 million for the three months ended June 30, 2024 as compared to $41.0 million for the same period in 2023. The decrease was mainly due to management's continued strategy of rationalizing marketing spend as the North American and Latin

American online gaming markets continue to mature. Advertising and promotions expense as a percentage of revenue decreased to 17% for the three months ended June 30, 2024 as compared to 25% for the same period in 2023.

General and Administrative. General and administrative expense increased by $6.6 million, or 32%, to $27.2 million for the three months ended June 30, 2024 as compared to $20.6 million for the same period in 2023. The increase was primarily due to higher personnel and other administrative costs, which is consistent with the ongoing growth of our business. General and administrative expense as a percentage of revenue remained flat at 12% for the three months ended June 30, 2024 and 2023.

Depreciation and Amortization. Depreciation and amortization expense decreased by $0.4 million, or 5%, to $7.6 million for the three months ended June 30, 2024 as compared to $8.0 million for the same period in 2023. Depreciation and amortization expense as a percentage of revenue decreased to 3% for the three months ended June 30, 2024 as compared to 5% for the same period in 2023.

Interest Income, Net. Interest income increased by $1.6 million, or 566%, to $1.9 million for the three months ended June 30, 2024 as compared to $0.3 million for the same period in 2023. The increase in interest income was mainly attributed to higher interest rates on cash and cash equivalents accounts as compared to the same period in 2023.

Income Tax Expense. Income tax expense increased by $3.7 million, or 135%, to $6.4 million for the three months ended June 30, 2024 as compared to $2.7 million for the same period in 2023. Income tax expense is attributable to the profitability of our foreign operations for which both current and deferred taxes are recorded. Income tax expense as a percentage of revenue increased to 3% for the three months ended June 30, 2024 as compared to 2% for the same period in 2023.

Comparison of the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,		Change	
($ in thousands)	**2024**	**2023**	**$**	**%**
Revenue	$ 437,807	$ 327,423	$ 110,384	34 %
Costs of revenue	289,000	217,007	71,993	33 %
Advertising and promotions	75,348	90,905	(15,557)	(17)%
General and administrative	53,074	42,150	10,924	26 %
Depreciation and amortization	14,656	13,743	913	7 %
Income (loss) from operations	**5,729**	**(36,382)**	**42,111**	**(116)%**
Interest income, net	3,476	668	2,808	420 %
Income (loss) before income taxes	**9,205**	**(35,714)**	**44,919**	**(126)%**
Income tax expense	11,696	5,520	6,176	112 %
Net loss	**$ (2,491)**	**$ (41,234)**	**$ 38,743**	**(94)%**

Revenue. Revenue increased by $110.4 million, or 34%, to $437.8 million for the six months ended June 30, 2024 as compared to $327.4 million for the same period in 2023. The increase was mainly due to and directly correlated with our continued growth across existing markets and expansion into new market of Delaware, which launched after June 2023. The increase reflects higher period-over-period online casino and sports betting revenue of $116.1 million and social gaming revenue of $0.1 million, which was partially offset by a decrease of retail sports betting revenue of $5.8 million due to the Company's exit from the Connecticut market.

Costs of Revenue. Costs of revenue increased by $72.0 million, or 33%, to $289.0 million for the six months ended June 30, 2024 as compared to $217.0 million for the same period in 2023. The increase was mainly due to and directly correlated with, our expansion and continued growth as noted above. Market access costs, gaming taxes, operating expenses, payment processing costs, and personnel costs contributed $28.7 million, $24.0 million, $12.1 million, $5.9 million and $1.3 million, respectively, to the period-over-period increase in costs of revenue. Costs of revenue as a percentage of revenue remained flat at 66% for the six months ended June 30, 2024 and 2023.

Advertising and Promotions. Advertising and promotions expense decreased by $15.6 million, or 17%, to $75.3 million for the six months ended June 30, 2024 as compared to $90.9 million for the same period in 2023. The decrease was mainly due to management's strategy of rationalizing marketing spend as the North American and Latin American online gaming industries continue to mature. Advertising and promotions expense as a percentage of revenue decreased to 17% for the six months ended June 30, 2024 as compared to 28% for the same period in 2023.

General and Administrative. General and administrative expense increased by $10.9 million, or 26%, to $53.1 million for the six months ended June 30, 2024 as compared to $42.2 million for the same period in 2023. The increase was primarily due to higher personnel and other administrative costs, which is consistent with the ongoing growth of our business. General and administrative expense as a percentage of revenue decreased to 12% for the six months ended June 30, 2024 as compared to 13% for the same period in 2023.

Depreciation and Amortization. Depreciation and amortization expense increased by $0.9 million, or 7%, to $14.7 million for the six months ended June 30, 2024 as compared to $13.8 million for the same period in 2023. The increase was mainly due to additional costs to acquire definite-lived intangible assets such as internally developed software and media content. Depreciation and amortization expense as a percentage of revenue decreased to 3% for the six months ended June 30, 2024 as compared to 4% for the same period in 2023.

Interest Income, Net. Interest income increased by $2.8 million, or 420%, to $3.5 million for the six months ended June 30, 2024 as compared to $0.7 million for the same period in 2023. The increase in interest income was mainly attributed to higher interest rates on cash and cash equivalents accounts as compared to the same period in 2023.

Income Tax Expense. Income tax expense increased by $6.2 million, or 112%, to $11.7 million for the six months ended June 30, 2024 as compared to $5.5 million for the same period in 2023. Income tax expense is attributable to the profitability of our foreign operations for which both current and deferred taxes are recorded. Income tax expense as a percentage of revenue increased to 3% for the six months ended June 30, 2024 as compared to 2% for the same period in 2023.

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 quarterly 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 the entertainment industry more broadly), 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 quarterly financial performance.

Our quarterly financial results may also be impacted by the number and amount of betting losses and jackpot payouts we experience. 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 certain of 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, and 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., COPA America, UEFA, Olympics).

From a legislative perspective, we continue to see 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 momentum for online casino in several jurisdictions in the Americas that are looking for additional revenue sources to fund governmental budgets. 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. 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

We measure liquidity in terms of our ability to fund the cash requirements of our business operations, including working capital and capital expenditure needs, contractual obligations and other commitments, with cash flows from operations. 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 had $193.8 million in cash and cash equivalents as of June 30, 2024 (excluding legally restricted customer cash deposits, which 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.

In connection with the Business Combination, we executed the TRA, which generally provides that the Special Limited Partner pay an amount equal to 85% of certain net tax benefits, if any, that the Company and its consolidated subsidiaries, including the Special Limited Partner, realize (or in certain cases is deemed to realize) as a result of the increases in tax basis and tax benefits related to the transactions contemplated under the Business Combination Agreement and the exchange of certain common units in RSILP retained by the Sellers for Class A Common Stock (or cash) and tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. 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, and no material payments or accrued payments thereunder are expected in the near future as payments under the TRA are not owed until the tax benefits generated thereunder are more-likely-than-not to be realized.

We expect our existing cash and cash equivalents 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, expansions in new or existing markets, 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. We also expect certain costs such as marketing, market access and license fees to increase as we continue to 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. 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.

We expect our material cash requirements during the upcoming 12-month period to include $11.4 million of non-cancellable purchase obligations with marketing vendors, $3.7 million of license and market access fees, and $2.5 million of lease payments. In addition, we will continue to pursue expansion into new markets, which is expected to require significant capital investments. We have $44.2 million of additional non-cancellable purchase obligations including arrangements with marketing vendors, obligations for license and market access fees, and lease payments subsequent to the upcoming 12-month period. See Note 12 to our unaudited condensed consolidated financial statements included elsewhere in this Report. Management believes our current cash holdings and, if necessary or desirable, various avenues available to pursue funding in the capital markets will suffice to fund these obligations.

Surety Bonds

We had been issued $30.0 million and $28.0 million in surety bonds as of June 30, 2024 and December 31, 2023, respectively, that are used to satisfy regulatory requirements related to securing cash held for the benefit of customers.

We had been issued $4.6 million in surety bonds as of June 30, 2024 and December 31, 2023 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

As of June 30, 2024 and December 31, 2023, we had no outstanding debt. As of June 30, 2024 and December 31, 2023, we had an outstanding letter of credit for $4.6 million and $3.1 million, respectively, in connection with our operations in Colombia, for which no amounts had been drawn.

Cash Flows

The following table shows our cash flows from operating activities, investing activities and financing activities for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
($ in thousands)	**2024**	**2023**
Net cash provided by (used in) operating activities	$ 51,118	$ (37,155)
Net cash used in investing activities	(18,919)	(19,115)
Net cash used in financing activities	(455)	(247)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3,867)	1,865
Net change in cash, cash equivalents and restricted cash	**$ 27,877**	**$ (54,652)**

Operating activities. Net cash provided by operating activities was $51.1 million for the six months ended June 30, 2024 as compared to $37.2 million used in operating activities during the same period in 2023. The increased provision of cash reflects a lower period-over-period net loss totaling $38.7 million, increased non-cash expenses of $2.4 million and an increase of $47.2 million due to the change in working capital. The increase in non-cash expenses was driven primarily by additional share-based compensation expense totaling $2.9 million, and depreciation and amortization totaling $0.9 million, which was partially offset by deferred income taxes of $0.8 million and write-offs of long-lived assets of $0.7 million.

Investing activities. Net cash used in investing activities for the six months ended June 30, 2024 decreased by $0.2 million to $18.9 million, as compared to $19.1 million during the same period in 2023. The decrease reflects lower period-over-period cash paid for acquisition of gaming licenses totaling $3.0 million and purchases of property and equipment totaling $0.1 million. This was partially offset by higher internally developed software costs totaling $1.0 million, increase in short-term investment of $1.9 million, and increase in cash paid for the development of media content totaling $0.1 million.

Financing activities. Net cash used in financing activities for the six months ended June 30, 2024 increased by $0.2 million to $0.5 million, as compared to $0.3 million during the same period in 2023. The period-over-period difference reflects higher principal payments of finance lease liabilities.

Effect of exchange rate changes on cash, cash equivalents and restricted cash. The effect of exchange rate changes decreased cash, cash equivalents and restricted cash by $3.9 million for the six months ended June 30, 2024 as compared to an increase of $1.9 million for the same period in 2023. These changes were due to fluctuations in foreign currency exchange rates from period to period.

Critical Accounting Policies and Estimates

We have prepared our unaudited condensed 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. Management has discussed the development, selection and disclosure of these estimates and assumptions with the Audit Committee of the Board.

There were no material changes during the quarter ended June 30, 2024, to the critical accounting policies and estimates discussed in our Annual Report. For a more complete discussion of our critical accounting policies and estimates, refer to our Annual Report.

Emerging Growth Company Accounting Election

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”) exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. As of the date of this Report, we are an “emerging growth company” as defined in Section 2(a) of the Securities Act of 1933, as amended, and have elected to take advantage of the benefits of this extended transition period. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions for emerging growth companies because of the potential differences in accounting standards used.

Item 3. 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 June 30, 2024, we had cash, cash equivalents and restricted cash of $198.9 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 unaudited condensed consolidated financial statements for the six months ended June 30, 2024.

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 our 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, the Mexican Peso and the Peruvian Soles. Markets with a functional currency other than the U.S. Dollar accounted for less than 20% and 10% of our revenue for the six months ended June 30, 2024 and 2023, respectively. 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 unaudited condensed consolidated financial statements for the six months ended June 30, 2024.

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 six months ended June 30, 2024. 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 4. Controls and Procedures.

Management's Evaluation of 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 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 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 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. Our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2024.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the quarter ended June 30, 2024 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.

PART II. OTHER INFORMATION

Item 1. 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 1A. Risk Factors

There have been no material changes to the risk factors disclosed under the heading “Risk Factors” in our Annual Report.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended June 30, 2024, 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.”

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Item 6. 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, Sellers, Sponsor and Rush Street Interactive GP, LLC (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, Sellers, Sponsor and Rush Street Interactive GP, LLC (incorporated by reference to Annex A-2 to Company's Preliminary Proxy Statement filed with the SEC on December 4, 2020).
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.
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	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.

SIGNATURE

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

	RUSH STREET INTERACTIVE, INC.	
August 1, 2024	By:	/s/ Kyle Sauers
		Kyle Sauers
		Chief Financial Officer
		(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

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

I, Richard Schwartz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rush Street Interactive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

/s/ Richard Schwartz

Richard Schwartz

Chief Executive Officer and Director

(Principal Executive Officer)

Exhibit 31.2

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

I, Kyle Sauers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rush Street Interactive, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: August 1, 2024

/s/ Kyle Sauers

Kyle Sauers
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Richard Schwartz, Chief Executive Officer and Director of Rush Street Interactive, Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: August 1, 2024

/s/ Richard Schwartz

Richard Schwartz
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Kyle Sauers, Chief Financial Officer of Rush Street Interactive, Inc. (the “Company”), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: August 1, 2024

/s/ Kyle Sauers

Kyle Sauers

Chief Financial Officer

(Principal Financial Officer)