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

FORM 10-K

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

For the year ended December 31, 2023

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: **001-39274**

GAN LIMITED
(Exact name of registrant as specified in its charter)

Bermuda	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

400 Spectrum Center Drive, Suite 1900
Irvine, California 92618
(833) 565-0550
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on which Registered**
Ordinary Shares, par value $0.01 per share	GAN	The Nasdaq Stock Market LLC

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

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the registrant's voting and non-voting ordinary shares held by non-affiliates as of June 30, 2023, based on last sale price as reported on The Nasdaq Capital Market on that date, was approximately $72.1 million.

At March 4, 2024, there were 45,107,089 ordinary shares outstanding.

Documents Incorporated by Reference:

Certain portions, as expressly described in this report of the registrant's definitive Proxy Statement for the 2024 Annual Shareholder Meeting, to be filed within 120 days of December 31, 2023, are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

GAN LIMITED
2023 ANNUAL REPORT ON FORM 10-K
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Except as otherwise required by the context, references to "GAN," "GAN Limited," "the Company," "we," "us" and "our" are to GAN Limited, a Bermuda exempted company limited by shares, and its subsidiaries. References to "Coolbet" are to Vincent Group p.l.c., a Malta public limited company and its subsidiaries, which was acquired by GAN Limited on January 1, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that reflect our current expectations and views of future events. These forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "should," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to" or other similar expressions. These forward-looking statements include, among other things, statements relating to our goals and strategies, our competitive strengths, our expectations and targets for our results of operations, our business prospects and our expansion strategy. We have based these forward-looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Although we believe that we have a reasonable basis for each forward-looking statement, we caution you that these statements are based on our projections of the future that are subject to known and unknown risks and uncertainties and other factors that may cause our actual results, level of activity or performance expressed or implied by these forward-looking statements, to differ.

The forward-looking statements are subject to risks, uncertainties and assumptions about our Company. Our actual results of operations may differ materially from the forward-looking statements as a result of risk factors described under "Item 1A. Risk Factors" in this Annual Report on Form 10-K, including, among other things:

- our ability to generate and sustain profitability in light of the incurrence of net losses and negative cash flows;
- our ability to successfully consummate the proposed merger with SEGA SAMMY CREATION, INC.
- our ability to successfully develop, market or sell new products or adopt new technology platforms;
- risks related to competition;
- our ability to manage the substantial variability in our business operations and forecast our financial results in light of such variability;
- risks related to our customer contracts, pursuant to which our revenues fluctuate with the use of our products or services;
- risks related to our historical reliance on a small number of customers for a substantial portion of our revenues;
- our ability to realize the anticipated benefits of our consummated acquisitions or investments in other companies, including our acquisition of Coolbet in January 2021;
- risks related to the continued uncertainty in the global financial markets and unfavorable global economic conditions, including as a result of the global outbreak of the novel coronavirus ("COVID-19") pandemic;
- our ability to attract and retain qualified personnel;
- risks related to the heavily regulated online gaming industry;
- our ability to maintain good relations with our channel partners;
- risks associated with our international operations and fluctuations in currency values;
- risks related to unanticipated performance problems or bugs in our software product offerings; and
- our ability to protect our intellectual property and proprietary rights.

The foregoing factors should not be construed as an exhaustive list and should be read in conjunction with other cautionary statements that are included in this Annual Report on Form 10-K as well as the items set forth under "Item 1A. Risk Factors." If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Moreover, we operate in an evolving environment and new risk factors emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statement.

You should not rely upon forward-looking statements as predictions of future events. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements. These forward-looking statements speak only as of the date on which it is made. We do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, unless the securities laws require us to do so.

PART I

ITEM 1. BUSINESS

GAN Limited is an exempted holding company organized in Bermuda and through its subsidiaries, consists of two lines of business. We are a business-to-business ("B2B") supplier of enterprise Software-as-a-Service ("SaaS") solutions for online casino gaming, commonly referred to as iGaming, and online sports betting applications. Beginning with our acquisition of Coolbet in January 2021, we are also a business-to-consumer ("B2C") developer and operator of an online sports betting and casino platform, which offers individuals located in select markets in Northern Europe, Latin America and Canada access to a digital portal for engaging in sports betting, online casino games and poker.

In our B2B segment, we feature our technology platform, which we market as the GameSTACK™ internet gaming platform ("GameSTACK"). The B2B segment develops, markets and sells instances of GameSTACK, GAN Sports, and iSight Back Office technology that incorporates comprehensive player registration, account funding and back-office accounting and management tools that enable casino operators to efficiently, confidently and effectively extend their online presence. GAN Sports, our newest product offering following the acquisition of Coolbet, launched in September 2022 and aims to provide a best-in-class B2B sports betting product in the U.S. and Canada through self-service kiosks on-premises at land-based casinos as well as mobile versions. Our GameSTACK platform and related support services are geared towards casino operators, with an emphasis on land-based commercial and tribal casinos in the United States, although we have deployed our platform in other geographies, such as Italy, Australia, and Canada. We also market our platform to gaming partners, such as online sportsbooks and gaming content developers, who provide us with an indirect channel into casino operators. This segment is primarily focused on enabling the U.S. casino industry's ongoing digital transformation, following the repeal of a federal ban on sports betting in May 2018. Our customers rely on our platform to run their online casinos and sportsbooks legally, profitably and with engaging content. GameSTACK and GAN Sports enables us to offer a turnkey technology solution for regulated real money internet gambling ("real money iGaming" or "RMiG"), online sports betting, as well as ("simulated gaming" or "SIM").

In our B2C segment, we operate a B2C casino and sports betting platform doing business as "Coolbet" that is accessible for gambling through the website www.coolbet.com in markets across Northern Europe, Latin America and Canada with over 1.6 million registered customers as of December 31, 2023. Coolbet holds, or is operating under, gambling licenses in Estonia, Malta, Sweden, Canada, and Mexico. The majority of Coolbet's website traffic comes from mobile customers and each region features customized interfaces with localized product offerings and local language support teams. In 2023, our B2C revenue was generated from online casino games, online sports betting and online peer-to-peer poker, which comprised 58.0%, 38.6% and 3.4% of total revenue, respectively. B2C revenue slightly decreased 1.4% from $87.5 million in 2022 to $86.3 million in 2023 primarily due to a decline in the number of active customers in our Latin American markets during the current period. In addition to providing complementary technology to our B2B segment, we believe our B2C segment provides diversification of revenue streams and growth opportunities in international markets.

Corporate History

We were an early pioneer of online gaming. We commenced operations in 2002 in the United Kingdom and first generated revenue in December 2002. Our initial product allowed end user residents of the United Kingdom to create an online account, deposit money into that account and to compete against each other online in competitions of skill. We offered online games of skill to residents of the United Kingdom under the operation of the United Kingdom's applicable legislation, the Lotteries & Amusements Act 1976 (s.14), which permitted competitions of skill.

Beginning in 2004, we secured our first major customers in the United Kingdom and subsequently launched our first real money casino gambling games through a license procured from the United Kingdom Gambling Commission following the passage of the Gambling Act 2005, which permitted companies in the United Kingdom to develop software intended for enabling internet gambling. In 2008 we began securing our first major customers in Italy and deployed our technology platform in Rome, Italy and served internet gaming content to several major Italian operators of regulated internet sports betting and gaming.

In 2010, we released the first version of our GameSTACK enterprise software platform for our first platform customer to launch a new internet gambling business in Europe as a complement to existing retail bingo gaming business. Following the launch of an internet casino for a casino operator customer operating on the GameSTACK platform in the State of New Jersey in 2013, we were the first technology platform provider to accept and process a deposit online in the State of New Jersey and processed the first legal online bet on our proprietary blackjack game. Our casino operators have continued to rely on GameSTACK to launch their online casinos in new and existing U.S. states that adopted applicable legislation.

In May 2020, GAN Limited completed a reorganization and share exchange pursuant to which we acquired all of the outstanding ordinary shares of GAN plc and became the parent company of GAN plc. Subsequently, GAN plc changed its name to GAN (UK) Limited. Additionally, in May 2020, we completed our U.S. initial public offering through which we sold an aggregate of 7,337,000 ordinary shares at a price per share of $8.50 and received gross proceeds of $62.4 million.

In November 2020, we entered into a share exchange agreement (the "Share Exchange Agreement"), pursuant to which we agreed to acquire all of the outstanding equity in Vincent Group p.l.c., a Malta public limited company doing business as "Coolbet" in exchange for cash and ordinary shares. In December 2020, we completed a secondary public offering, issuing 6,790,956 ordinary shares in exchange for net proceeds of $98.5 million after underwriting discounts and commissions, and other offering expenses. We used the proceeds from this offering to fund the cash portion of the purchase price payable to the former Coolbet shareholders. On January 1, 2021, we completed the acquisition of Coolbet for a total purchase price of $218.1 million, comprised of a cash payment of $111.1 million, the issuance of 5,260,516 ordinary shares (valued at $106.7 million) and the issuance of replacement equity awards (valued at $0.3 million).

In 2022, we began to expand both our B2B and B2C footprints into other countries in North America. In April 2022, we launched a B2B customer on our GameSTACK technology platform in the Ontario, Canada market and in January 2023 we launched our Coolbet B2C casino in the regulated Mexican market.

In September 2022 we launched GAN Sports, a modern sportsbook technology platform based on the award-winning Coolbet technology that has been adapted for the U.S. B2B market and have subsequently launched other jurisdictions such as Massachusetts and Nevada in 2023.

Merger Agreement

On November 7, 2023, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with SEGA SAMMY CREATION INC., a Japanese corporation ("SEGA SAMMY CREATION"), and Arc Bermuda Limited, a Bermuda exempted company limited by shares and a wholly-owned subsidiary of SEGA SAMMY CREATION ("Merger Sub"), pursuant to which, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into the Company, with the Company surviving the merger as a wholly-owned subsidiary of SEGA SAMMY CREATION (the "Merger"). SEGA SAMMY CREATION and Merger Sub are affiliates of SEGA SAMMY HOLDINGS, INC.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions thereof, at the effective time of the Merger, and as a result of the Merger (and without any action on the part of SEGA SAMMY CREATION, Merger Sub, the Company or any holder thereof):

- each of the Company's ordinary shares issued immediately prior to the effective time of the Merger (other than shares held by SEGA SAMMY CREATION or Merger Sub, by the Company as a treasury share or by any person who properly asserts dissenters' rights under Bermuda law) will be converted into the right to receive an amount in cash equal to $1.97 per share, without interest and subject to any applicable tax withholding (the "Merger Consideration");

- each of the Company's outstanding restricted shares (whether vested or unvested) at the time of the Merger will become vested in full and non-forfeitable and will be converted into the right to receive the Merger Consideration;

- each of the Company's outstanding restricted share units (whether vested or unvested) at the effective time of the Merger will become vested in full and will be automatically cancelled in exchange for the right to receive a single lump sum cash payment, without interest and subject to any applicable tax withholding, equal to the product of (a) the Merger Consideration and (b) the number of Company ordinary shares subject to such restricted share unit; and

- each of the Company's outstanding options to acquire the Company ordinary shares (whether vested or unvested) at the effective time of the Merger will become vested in full and will be automatically cancelled in exchange for the right to receive a single lump sum cash payment, without interest and subject to any applicable tax withholding, equal to the product of (a) the excess, if any, of the Merger Consideration over the exercise price per share of the option and (b) the number of Company ordinary shares issuable upon the exercise in full of such option.

Consummation of the Merger is not subject to a financing condition, but is subject to customary closing conditions, including (a) approval by the Company's shareholders of the Merger Agreement, the Merger and the Statutory Merger Agreement, (b) receipt of applicable antitrust and CFIUS approvals or the expiration of applicable waiting periods, (c) absence of any order or injunction prohibiting the consummation of the Merger and (d) the accuracy of the Company's representations and warranties contained in the Merger Agreement (subject to certain customary qualifications) and compliance by the Company with its agreements and covenants contained in the Merger Agreement. The closing of the Merger is also predicated upon receipt of approval of the Merger and change in control of the Company by all relevant gaming authorities. The Company anticipates that this will take some time, and that the closing of the Merger may not occur until late 2024 or early 2025.

On February 13, 2024, the Company held a special general meeting of the shareholders of the Company to consider and vote upon the Merger Agreement, at which the shareholders approved the Merger Agreement.

iGaming and Online Sportsbook Industry and Background

On May 14, 2018, the Supreme Court of the United States overturned the Professional and Amateur Sports Protection Act ("PASPA"), which since 1992 had prevented U.S. states, aside from Nevada and Delaware from engaging in the regulation and taxation of sports betting activities at the intrastate level. The ruling paved the way for U.S. states to elect individually whether to allow for regulated sports betting and, by extension, real money iGaming within their borders. Prior to the Supreme Court of the United States overturning PASPA, U.S. casino operators were largely limited to retail slot and table gaming operations and, in the online channel, to simulated gaming operations offering no prospect for real money winnings.

On June 22, 2021, the Parliament of Canada passed Bill C-218 - the Safe and Regulated Sports Betting Act, which removed the Canadian federal ban on domestic sportsbook betting in Canada, opening its provinces to allow single-game sports betting, and in April 2022 Ontario became the first province in Canada to regulate online gambling.

As of December 31, 2023, more than 35 U.S. states have approved legalized sports betting, along with Washington D.C., and real money iGaming is also presently legal in eight states. Each state or jurisdiction has unique regulatory and licensure requirements, and our ability to rapidly customize deployments and submit expeditiously for individual state gaming licensure has been a vital contributor to our success in the U.S. market. We enable our customers to deploy

iGaming and online sportsbook offerings to their end users quickly, capturing valuable early-mover advantages in their relevant markets, such as the January 2021 launch in Michigan and the April 2022 launch in Ontario, Canada. We are presently licensed or approved to operate our RMiG platform in more than a dozen U.S. states, as well as Ontario, Canada and plan to continue to evaluate new opportunities to provide services in additional U.S. states in 2024 and beyond.

Online sports betting deployment models can vary widely due to state-specific regulatory and licensing mandates. However, licensed casino operators with land-based retail facilities tend to partner with online sportsbook operators in order to accelerate online customer acquisition. These operators generally rely on a technology platform, such as GameSTACK, for player onboarding, player account management, payment processing and various back-office tools designed to maintain regulatory compliance and real-time reporting. Additionally, our technology for online sportsbooks incorporates a sports betting engine for pricing, trade execution and risk management.

In order to monetize online and offline players in a coherent manner, casino operators pursue omnichannel marketing strategies that require deep integration of hardware and software elements, including computing infrastructure, customer relationship management, casino management system and loyalty program management. Because of the complexity in deploying and maintaining iGaming and online sports betting infrastructures, casino operators may rely on third-party service providers to operate and maintain all or part of the technology infrastructure on their behalf.

Our Operating Models

B2B

Our product strategy for GameSTACK and GAN Sports is to provide a unified, flexible and highly scalable platform that can be rapidly deployed for RMiG and online sports betting. In addition to our platform, we offer a range of development, marketing and customer support services designed to fast-track deployments and provide ongoing operational support following commercial launch.

Our GameSTACK platform and related support services are designed to help our customers rapidly launch and scale their iGaming and online sportsbook operations. Our iGaming offerings support both social, or "freemium," simulated online casino gaming in regulated and unregulated markets as well as RMiG for deployment in regulated markets. We measure the level of player engagement through key performance measures including Gross Operator Revenue, which we define as the sum of our B2B corporate customers' gross revenue from SIM, gross gaming revenue from RMiG, and gross sports wins from sportsbook offerings, which we track for both SIM and RMiG operations.

Our GameSTACK customer base in the United States includes large regional operators as well as individual tribal casino operators that operate retail casino properties, racetracks and online sportsbooks. The largest portion of our U.S. business is in real money internet gambling with operators in the U.S. states where either (or both) internet casino gaming and sports betting are permitted by regulation.

B2C

Our principal B2C offerings are real-money online sports betting, online casino and peer-to-peer poker. We offer these products directly to the end customer through our website, which is also available on tablet and mobile devices in markets predominantly across Northern Europe and Latin America. In order to attract and retain customers, we seek to provide a high-quality customer experience through a high speed mobile website, excellent customer service and attractive odds. With our own technology and sportsbook software, and in cooperation with recognized providers for odds data and game content, we strive to provide the best online sportsbook and iGaming offering available, and believe that positive word of mouth referrals allowed us to increase our revenues and acquire customers at a lower cost than our competitors.

Our Products and Service Offerings

B2B GameSTACK Platform, Development and Support Services

GameSTACK is a turnkey platform comprising proprietary enterprise software, computer hardware and specific proprietary software components such as our iSight Back Office tool ("iSight") and the iBridge Framework. GameSTACK is a comprehensive proprietary hosted software platform providing our customers with account set-up, customer services facilitation, comprehensive player marketing tools, and the ability to deliver converged gambling across land-based retail casinos and the internet. While developing GameSTACK, we remained fully committed to building an evergreen and agile software architecture forged from a single code base, ensuring that developments in game mechanics, new back-office functionalities and integrations with leading third-party software could be capitalized on by our customers across all gameplay modalities. Importantly, we developed our code to operate in multiple jurisdictions and under different regulatory requirements, giving us the ability to leverage different configurations quickly to comply with newly regulated markets.

GameSTACK serves as the technical hub of our customers' online gaming presence. The platform provides the foundational technology and back-office tools necessary for a successful consumer experience, including intuitive player account activation, sophisticated payment services, geolocation, marketing, loyalty club linking and real-time analytics and reporting. The core of the GameSTACK platform is its player account management system, in which highly sensitive consumer and player activity data is stored and processed. This information is the layer of any casino operator's online technology deployment that becomes the focal point of regulatory licensure since it is the fortified vault of player data and privacy. GameSTACK also relies on a flexible integration services layer in order to integrate easily with other essential third-party systems such as casino management systems, remote gaming servers, sports betting engines, and marketing services applications.

Real Money iGaming

Our RMiG instances of GameSTACK incorporate comprehensive player registration, account funding and back-office accounting and management tools that enable our casino operator customers to efficiently, confidently and effectively extend their presence online. For the individual players, our software enables them to create a regulatory-compliant iGaming account online, have their credentials properly validated in order to activate their account, deposit money into their account and proceed to wager that money on any content we provide on the relevant casino operator's website or mobile app. The online content may comprise a casino game such as roulette, blackjack or a casino slot machine game. Content may also comprise a myriad of sporting events on which the diverse outcomes can be wagered on.

We have optimized GameSTACK for RMiG, and in particular, U.S. internet casino gaming with geolocation tracking, Know-Your-Customer processes and a market-leading U.S. payments platform. Payment aggregation services within GameSTACK integrate with a wide range of third-party payment processors while simultaneously allowing our casino operators to accept cash deposits onsite within their retail casino properties, which are credited to the players' online account.

In the United States, real money iGaming applications must comply with the Unlawful Internet Gambling Enforcement Act of 2006 and with the federal Wire Act of 1961. Consequently, our RMiG customers must physically deploy our platform within their state's borders, typically inside their retail casino premises or approved local hosting locations, in order to comply with intrastate regulatory mandates. Our customers generally procure the computer hardware on which our software, which the Company retains all rights to, is deployed inside of our customers' data centers.

GAN Sports retail and online sportsbook

GAN Sports, our newest product offering following the acquisition of Coolbet, is offered as an online and retail solution to U.S. casino operators as a complete turnkey solution for sports betting technology. The GAN Sports retail offering allows our customers to launch and operate their sportsbooks on their properties through self-service kiosks, with the ability to add an on-premises or statewide mobile versions.

Super Remote Gaming Server

GameSTACK may also be configured as a "super" remote gaming server ("Super RGS"), otherwise known as a remote gaming server aggregator, which can be deployed on behalf of existing internet casino operators in various U.S. states that are operating on their own proprietary or third-party platform. Super RGS provides these operators with access to all of our proprietary games, our current (and all future) remote gaming server integrations, as well as our content library of more than 7,000 internet casino games. Super RGS creates a technical and commercial vehicle for us to deliver our proprietary casino content and third-party game content across the entirety of the relevant U.S. intrastate markets. Our Super RGS provides for a cost and time savings for new and existing market operators to more efficiently manage their game content.

Simulated Gaming

Our SIM product is custom-designed for the U.S. casino operators seeking to bring their retail brand online and create a new internet gaming experience delivered as an amenity to their players and leveraging their on-property rewards program using the common code base shared with GameSTACK for RMiG. For SIM implementations, we design the casino operator's mobile application and website with a branded experience that is consistent with the casino operator's brand and market positioning. Our iSight technology provides management tools and streamlines player registration and account funding. We generally host our customers' SIM operations on a combination of proprietary and cloud servers.

iSight Back Office

GameSTACK provides operators with a range of day-to-day back-office management tools along with integration application program interfaces for third-party casino management systems. With the iSight management tool, our casino operators have complete control over their content selection, player communications, website layout, process automation and real-time analytics.

iBridge Framework

Our proprietary iBridge Framework is a core feature of our platform, enabling operators to engage online players with innovative loyalty offers. iBridge provides our operator customers the ability to automatically verify whether a new online player is part of an existing offline loyalty database. iBridge allows operators to unite in-casino complimentary items and services, loyalty points and other offers with online play. This enables casino operators to engage their customers online, reinforcing brand loyalty, as well as encouraging online players to visit retail properties. Our platform integrates with a variety of third-party casino management systems, eliminating the need for operators to create and maintain two disparate databases as their online businesses grows.

Development Services

We provide platform development services, which consist of initial deployment of gaming hosting facilities and ongoing development services to provide updates to the software for enhanced functionality or customization.

Customer Support Services

We provide a range of term-based operational services to support our customers' online gaming activities. Our premier offering is a full turnkey combination of marketing services and customer support services. Our managed services teams provide user acquisition, customer retention management, and customer functions for our operator customers to help them in acquiring and retaining players. These services are designed to fast-track deployments and provide ongoing operational support following commercial launch for our customers. We offer marketing and customer services to our casino operator customers to support their deployment of our RMiG and SIM solutions. Our tailored customer support services include player customer support across email, phone and live chat, marketing agency services and network management with 24/7 uptime guarantee.

Non-U.S. B2C

B2C Product Offerings

We operate the B2C gaming site www.coolbet.com outside of the U.S., which predominantly operates in select Northern Europe and Latin America markets. The site offers sports betting, poker, casino, live casino and virtual sports. Coolbet.com is built on proprietary software, including a proprietary sportsbook engine and risk management tools, enabling us to offer a highly differentiated entertainment experience when compared to other B2C gaming sites who rely on third-party technology stacks. Because we predominantly rely on in-house technology, we can rapidly enter new international markets with deeply local and tailor made content. Our B2C product offerings include:

Sports Betting

We manage an award-winning online sportsbook allowing customers to place various types of wagers on the outcome of sporting events around the world. We operate as the bookmaker and offer a large variety of betting types in a given event, including both pre-match and in-play (placed after a sports event has begun) wagers. We offer the ability to place bets on all major sports including football, basketball, baseball, American football, ice hockey and tennis, as well as emerging sports such as eSports and smaller sports. Coolbet's proprietary sportsbook features specialist odds compiled by in-house product experts, which leads to more attractive odds and offers on local sports events and a higher value proposition for customers.

Online Casino

We offer thousands of digital and live dealer casino games provided by recognized game content creators, integrated into our proprietary technology. The casino product features many proprietary features and functionalities driving customer engagement. Live Casino, through its digital online casino offering in selected markets, allows customers to place wagers and play games through a real-time streaming video solution. Coolbet.com offers customers a catalog of over 6,000 third-party iGaming titles across skill-based games such as Poker and chance-based games, such as digital slot machines and table games such as Blackjack and Roulette.

Poker

Poker allows registered customers to play poker against each other in cash games and tournaments directly on the website www.coolbet.com in real-time.

Competition

We operate in a global and dynamic market and compete with a variety of organizations that offer services similar to those that we offer. Our B2B operations face competition primarily from: (i) online casino content suppliers that provide content direct to consumers; (ii) retail casino operators that develop their own proprietary online gaming capabilities; and (iii) other similar existing or developing technology providers that develop competing platforms.

We believe the principal competitive factors in our B2B operations include rapid deployment, ease of integration with existing and future content and gaming, ease of user registration and conversion, regulatory compliance, data security, back office management systems, reliability, and platform extensibility.

Our B2C operations compete against a variety of online sportsbook and casino operators, which range from large international organizations with greater advertising and marketing resources to local players that provide specific opportunities in local markets.

We believe the principal competitive factors in our B2C operations include the overall customer mobile and online experience, better and more reliable odds making, ease of use and our customer service.

Customers and Ecosystem

Our principal B2B customers are retail casino operators and online casino brands.

Our retail casino operator customers typically require a regulatory compliant and complete enterprise technology solution provider for setting up, launching and operating an internet gaming business to drive incremental and complementary revenues to their existing retail gaming business. When a U.S. casino looks to expand online, there is a small group of potential technology vendors available to serve their needs, and an even smaller subset of companies which are B2B-only business and fully licensed for U.S. internet gaming. We believe we are one of the few companies whose operational know-how and proven track record of excellence represent a substantial competitive advantage.

New retail and online casino operator customers who use our GAN Sports and GameSTACK enterprise solutions require a cutting-edge platform and sportsbook, often to replace their existing technology. Our full enterprise solution, including retail sports, kiosk deployment, mobile sports and platform technologies, provides our customers with flexibility to meet their specific needs, from customers that require an all-encompassing market, customer, and sports trading services solution, to those larger self-managed operator customers looking to operate on a cutting-edge technology. Beyond our GAN Sports sportsbook content, by proactively investing in development resources, we have brought together within GameSTACK a solution which offers the leading service providers spanning payment processing, pre-paid card services, age and identity verification, and geolocation, providing our customers with a best-in-class solution from end-to-end, right out of the box.

The GAN family of casino operator customers represent leading U.S. gaming groups, both retail and online. Some of our casino operator customers utilize our GameSTACK platform specifically for real money iGaming or online social casinos, while others utilize our full enterprise solution for RMiG as well as retail and mobile sportsbook. Whether these customers utilize our technology for some or all of their needs, our customers own retail operations spanning over 100 retail locations, operate tens of thousands of slot machine units on their casino gaming floors, and possess millions of dedicated loyalty club card holding players within their loyalty program databases.

For the year ended December 31, 2023, one of our customers, FanDuel, accounted for 16.4% of our total revenue. Beginning in 2013, we partnered with FanDuel's majority shareholder, Flutter Entertainment plc (formerly known as PaddyPower Betfair plc), to support FanDuel's rapid deployment of online sports betting sites in selected states that had legalized single-game sports betting. Under our current commercial agreements, we provide access to the GameSTACK platform and provide development and support services to FanDuel in the U.S. and Ontario, Canada.

Our U.S. commercial agreement with FanDuel provided that we were the exclusive provider of their casino gaming operations for a three year period, which exclusivity ended in January 2023. Following the exclusivity period, FanDuel has the right to use other casino gaming solutions, subject to a requirement to pay us revenue calculated as a certain percentage of their net gaming revenue from RMiG operations. Accordingly, we could experience a significant decline in our revenue now that the exclusivity period has expired. We currently support FanDuel's RMiG casino operations in the U.S. states of Connecticut, Michigan, New Jersey, Pennsylvania, and West Virginia. Our current U.S. commercial contract with FanDuel expires in January 2025.

Our B2C casino and sports betting platform is accessible for wagering through the website www.coolbet.com in markets across Northern Europe, Latin America, and Canada. Coolbet.com originally launched May 2016 and as of December 31, 2023, had over 1.6 million registered customers. The majority of website traffic comes from mobile customers and each region features customized interfaces with localized product offerings and local language support teams.

Seasonality

Our online sports betting operations experience seasonality based on the relative popularity of certain sporting events, in particular with respect to local and international football seasons and high-profile international and regional tournaments. This seasonality could be exacerbated by cancellations of sporting events in addition to off-seasons, but can also provide increased volume during high-volume events such as the World Cup and overlapping sports calendars.

Intellectual Property Rights

We rely on a combination of patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to protect our proprietary technology. We also rely on a number of registered and unregistered trademarks to protect our brand.

As of December 31, 2023, we had one registered patent in the United States and two registered trademarks in the United Kingdom relating to our proprietary technology. We hold a U.S. patent with a term of 20 years, which expires in 2033, that covers the integration of a retail casino's on-property rewards and loyalty program with an internet wagering experience, whether offered for real money or virtual-based social casino gaming. Because of the tendency for non-licensed states to implement social casino gaming as an alternative or precursor to RMiG, and our ability to legitimately and comprehensively integrate the unique ability to connect existing retail rewards program with an online gaming experience, we believe that our intellectual property provides a key competitive advantage.

We seek to protect our intellectual property rights by implementing a policy that requires our employees and independent contractors involved in development of intellectual property to enter into agreements acknowledging that all intellectual property generated or conceived by them on our behalf are our property, and assigning to us any rights that they may claim or otherwise have in those works or property, to the extent allowable under applicable law. Despite our efforts to protect our technology and proprietary rights through intellectual property registrations, licenses and contractual protections, unauthorized parties may still copy or otherwise obtain and use our software and technology. We may also face allegations in the future that we have infringed the intellectual property rights of third parties, including our competitors and non-practicing entities.

Government Regulation

We are subject to various U.S. and foreign laws and regulations that affect our ability to operate in the gaming and entertainment industry, in particular in the online gaming industry. These industries are generally subject to extensive and evolving regulations that could change based on political and social norms and that could be interpreted or enforced in ways that could negatively impact our business. Regulatory agencies in each of our operating markets continue to examine a wide variety of issues impacting the iGaming and sports betting industries, and consequently the laws and regulations governing our business could be modified or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could cause us to incur substantial additional compliance costs and adversely affect our operating results. The primary means of enforcement of such regulations is through regulatory licenses.

Our B2B operations are licensed and regulated by the United Kingdom ("U.K.") Gambling Commission, and are certified for the Italian market by the Gaming Labs International in Italy, the Alcohol and Gaming Commission of Ontario in Canada, the New Jersey Division of Gaming Enforcement, the Pennsylvania Gaming Control Board, the West Virginia Lottery Commission, the Louisiana Gaming Control Board, the Michigan Gaming Control Board, the Tennessee Education Lottery Corporation, the Colorado Department of Revenue Division of Gaming, the Arizona Department of Gaming, the Connecticut Department of Consumer Protection — Gaming Division, the Mississippi Gaming Commission, the Arkansas Racing Commission, the Massachusetts Gaming Commission, the Ohio Casino Control Commission, the Virginia Lottery, the Sault Ste. Marie Tripe of Chippewa Indians Gaming Commission, and the Nevada Gaming Control Board. Entry into new geographies will require us to engage with additional regulatory authorities.

Our B2C operations are also required to hold licenses in several jurisdictions. We hold gaming licenses in Estonia, Malta, Sweden, and Ontario, Canada. Our B2C sportsbook technology and technical platform is certified by an accredited third-party according to the licensing requirements of the regulatory authorities of Estonia, Malta, Sweden, and Ontario, Canada. We also have customers in jurisdictions that currently do not have a local licensing scheme but are accessible through our existing licenses. A number of these jurisdictions are evaluating the adoption of a local licensing scheme for the online sports betting and gaming operations that we currently offer. If regulations requiring licensure are adopted in those jurisdictions, we intend to apply for licensing, but we cannot be assured that we will receive licenses in each instance or that changes in regulation will not adversely impact our business.

Licensing Process

We are required to secure licenses to operate in each new jurisdiction where we conduct business and will need to secure additional licenses in order to expand operations to new markets. In newly regulated markets, new licensing regimes may impose licensing conditions, such as the requirement to locate significant technical infrastructure within the relevant territory or establish real-time data interfaces with the regulator that present operational challenges or may stop the licensee from being able to offer the full range of our products. Certain jurisdictions require us to hold a distributor license, while in other jurisdictions we need to qualify for a vendor license to supply our licensed customers. The licensing process can be burdensome and lengthy, depending on the local jurisdiction and their relative ability to move quickly, which is outside our control. Some jurisdictions will allow us to operate on a provisional license while the regulators process our applications. Other jurisdictions require full licensure prior to commencing operations. Accordingly, even as new regulated markets emerge, it is difficult to predict how quickly we will be able to derive revenues in such jurisdictions.

Data Protection and Privacy

As part of our operations, we establish player accounts and receive personal and financial information. Accordingly, our operations are subject to privacy and data protection regulation in the United States, the U.K., the European Union, Asia Pacific, and elsewhere. These laws are rapidly developing and changing. The European Union adopted a comprehensive General Data Protection Regulation ("GDPR"), which came into effect in May 2018, as supplemented by any national laws (such as the Data Protection Act 2018 in the U.K.) and further implemented through binding guidance from the European Data Protection Board. In the United States, several states have adopted revised legislation to expand data breach notification rules and to mirror some of the protections provided by the GDPR. Some states, including California, Colorado, Connecticut, and Nevada, have adopted data protection legislation that requires companies to make significant changes in their data processing operations.

Compliance

We have developed and implemented an internal compliance program designed to ensure that we comply with legal and regulatory requirements imposed on us in connection with our gaming operations. Our internal compliance program focuses, among other things, on ensuring we comply with applicable licensing requirements and local gaming regulations. In addition, we have a dedicated data protection officer and compliance officer to strengthen the overall compliance capabilities of the organization.

Additionally, we use various methods and tools across our operations such as geolocation blocking, which restricts access based on a user's geographical location determined through a series of data points such as mobile devices and Wi-Fi networks; age verification to ensure our users are of a certain age to participate; routine monitoring of user activity; and risk-based user due diligence to ensure player funds are legitimately derived. We have a zero-tolerance approach to money laundering, terrorist financing, fraud and collusion. All of our games and platforms are certified and tested by various private accreditation organizations, such as, the New Jersey Division of Gaming Enforcement's technical testing laboratory and the Gaming Laboratories International, which is a leading industry provider for online gaming testing and certification.

While we are firmly committed to full compliance with all applicable laws and have developed appropriate policies and procedures to comply with the requirements of the evolving regulatory regimes, we cannot provide assurance that our compliance program will prevent all violations of applicable laws or regulations, or that a violation by us or our personnel will not result in a monetary fine or suspension or revocation of one or more of our licenses.

Social Responsibility

We maintain an open, honest and responsible approach towards our stakeholders, which include our employees, suppliers, customers, investors and the wider community. As both a B2B provider of games of skill and chance in regulated intrastate internet gaming markets, we have placed our responsible gaming policies and tools at the core of our vision to provide industry-leading entertainment in a socially responsible fashion. Our GameSTACK software platform has a myriad of features for detection and prevention of problem gambling as well as offering tools to end user players to limit their gaming activities online, in compliance with the challenging technical requirements of the U.S. states we are licensed in, as well as other jurisdictions.

Our platform services enable our casino operators to offer their players an array of tools to control their spending, including deposit limits, wagering value limits, wagering frequency limits, time limits, definable self-exclusion and/or cooling-off periods. These limitations, coupled with sophisticated reporting and analytics, allows operators to identify potentially compulsive behavior and take the required action to ensure the protection of any vulnerable players in line with their operating requirements in the relevant intrastate gaming market. Our teams are extensively trained in the area of responsible gaming, to assist end user players displaying signs of gambling addiction and guide them in the correct direction to seek assistance. We also, in conjunction with our customers and third-party service partners, provide robust age verification processes to ensure that no minors can access the gaming opportunities provided on our customer's websites.

Human Capital Resources

We are committed to investing in our employees while nurturing a work environment that fosters global and cross functional collaboration. Our leadership team actively works to attract, develop, and retain talent from a range of backgrounds and experiences.

Our Global Workforce

As of December 31, 2023, we had 677 total employees, of which 673 were full-time and 4 were part-time. Approximately 89% of these employees were located outside the United States. The majority of our employees are working within the operations function, which includes the majority of the technical and product employees. The charts below show our global employee population by region and operational function.

Workforce by Region:	
Europe	563
United States	72
Latin America	31
Rest of World	11

Workforce by Function:	
Operations	88%
Non-operations	12%

As we continue to maintain our footprint across multiple countries, we have refocused efforts on building processes and systems that encourage our employees to adopt a global mindset and ways of working. This refocus means creating more efficient methods for collaborating across multiple time zones and making the time to hone communication skills to further productive and interactive working relationships. This effort also translates to offering programs and employees events at a worldwide scale where all employees are able to bond over shared interests and experiences.

Diversity and Inclusion

We are committed to a diverse global workforce and fostering a culture of inclusivity and belonging. We promote diversity and inclusion in all our policies and general business practices. We further seek to establish an environment of respect and understanding in the workplace and a culture that values and reflects the diverse components of our employees and the communities in which we operate. This is reinforced in our global employee events and training courses. As we further expand on our global footprint, we will continue to expand on these efforts.

Pay and Benefits

We continue to offer market-based, competitive wages and benefits in all markets where we compete for talent. The pay structure has evolved to be positioned around the market median within each market, with variances based on knowledge, skills, years of experience, and performance. We regularly evaluate pay equity, expanding our review to include race/ethnicity in addition to gender. We adopt a total rewards approach to our compensation philosophy – which accounts for all monetary and non-monetary elements. This includes base wages, non-cash benefit programs, which vary by country, short-term cash incentives, long-term incentives (e.g., cash and share-based awards), employee savings plans with providers for company matching, healthcare and insurance benefits (in the United States), health savings spending accounts with providers for company matching (in the United States), paid time off, leave options, and employee assistance programs. We also encourage our employees to focus on their overall wellness. We expanded our traditional monthly fitness reimbursements to include exercise equipment, wellness programs and treatments, and app subscriptions in support of nutrition, behavior based health or activities that encourage movement. We also respect our employees' needs for flexibility and balance between work and life. We support a flexible working model where employees may work from the office or from home. We also continue to offer support to employees who work from home by providing reimbursement for work related expenses.

Workforce Health and Safety

Our employees indicated a need for flexibility in where they work. In response, we moved to a model that adapted to the workplace culture and working needs per country. For example, in the United States and United Kingdom, we moved to a remote-first working structure and substantially reduced our office footprint. In Estonia and Bulgaria, employees desire in-office collaboration and are in the office several days a week based on the team's working schedule.

Employee Engagement

It's our goal to continue to provide an environment where our employees can be the best versions of themselves and have the support they need to deliver extraordinary results for themselves and our company. We expanded our employee engagement programming to accommodate local gatherings where we have a concentrated employee base. For other locales with a much more distributed workforce, virtual group and team events were offered. We also held several global events to build a sense of company community.

Information about Segment and Geographic Revenue

Our segment and geographic revenue information is described in Note 13 to the Consolidated Financial Statements in Item 8 of this report.

Available information

We make available free of charge (other than an investor's own internet access charges) through our internet website (https://www.investors.gan.com) our Annual Report on Form 10-K and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC"). We are not including the information contained on our website as part of or incorporating it by reference into, this Annual Report on Form 10-K. In addition, the SEC maintains an internet site, https://www.sec.gov, that includes filings of and information about issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and information below, as well as all other information included in this Annual Report on Form 10-K, including our consolidated statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before you decide to purchase shares of our common stock. Below, we describe risks that we currently believe are the material risks in connection with our operations. These are not the only risks we face; we are subject to risks that are currently unknown to us, or that we may currently believe are remote or immaterial. If any of these risks or events occurs, our business prospects, financial condition, stock price, and operating results could be harmed.

Summary of the Material Risks Associated with our Business

- We have incurred net losses in the past with negative cash flows and may not be able to generate and sustain profitability or sufficient liquidity.
- We operate in a rapidly evolving industry and if we fail to successfully develop, market or sell new products or adopt new technology platforms, it could materially adversely affect our results of operations and financial condition.
- The online gaming industry is highly competitive, and if we fail to compete effectively, we could experience price reductions, reduced margins or loss of market share.
- Our business operations are subject to substantial variability, which may make it more difficult for us to forecast our financial results, and may negatively impact how investors review our results or prospects.
- Under our revenue arrangements, if existing customers do not continue the use of our products or services, our results of operations could be materially adversely affected.
- We have historically relied on a small number of customers for a substantial portion of our revenues.
- A reduction in discretionary consumer spending, from an economic downturn or disruption of financial markets or other factors, could negatively impact our financial performance.
- Macroeconomic conditions can materially adversely affect the Company's business, results of operations and financial condition.
- We face the risk of fraud, theft, and cheating.

- We face cyber security risks that could result in damage to our reputation and/or subject us to fines, payment of damages, lawsuits and restrictions on our use of data.
- Systems failures and resulting interruptions in the availability of our websites, applications, products, or services could harm our business.
- We rely on relationships with third-party content providers for a significant portion of our revenue.
- If we are unable to protect our intellectual property and proprietary rights, our competitive position and our business could be materially adversely affected.
- We face the risk that third parties will claim that we infringe on their intellectual property rights, which could result in costly license fees or expensive litigation.
- We face risks related to health epidemics and other widespread outbreaks of contagious disease, which could disrupt our operations and impact our operating results.
- We are subject to risks related to corporate social responsibility, responsible gaming, reputation and ethical conduct.
- Regulatory approvals of the Merger may not be received, may take longer than expected, or may impose conditions that could allow SSC to abandon the Merger.
- The Merger Agreement between us, SSC and Merger Sub may be terminated in accordance with its terms and the Merger may not be completed.
- We may not be able to effect the Merger pursuant to the Merger Agreement, and failure to complete the Merger could negatively impact our stock price and the future business and financial results of the Company.
- The online gaming industry is heavily regulated and the Company's failure to obtain or maintain applicable licensure or approvals, or otherwise comply with applicable requirements, could be disruptive to our business and could adversely affect our operations.
- Once a gaming license is granted, or conditionally approved, violations of any gaming related requirements could result in the imposition of fines, penalties, conditions, or limitations, up to and including the revocation of a gaming license for material and/or repeated violations, all of which could adversely affect our operations and financial viability.
- The online gaming industry is rapidly expanding and evolving, which the proliferation of new and changing regulatory frameworks increases costs and the risk of non-compliance.
- Our B2C operations generate a significant portion of our revenue from "unregulated" markets and changes in regulation in those markets could result in us losing business in those markets, incurring additional expenses in order to comply with any new regulatory scheme, or potentially exiting the market.
- Our B2C operations generate a significant portion of our revenue in markets where tax regulations are evolving, and could result in additional tax liabilities that could materially affect our financial condition and results of operations.
- Compliance with evolving data privacy regulations may cause us to incur additional expenses, and any violation could result in damage to our reputation and/or subject us to fines, payment of damages, lawsuits and restrictions on our use of data.
- Any violation of the Bank Secrecy Act or other similar anti-money laundering laws and regulations could have a negative impact on us.
- We have business operations located in many countries and a significant level of operations outside of the U.S., which subjects us to additional costs and risks that could adversely affect our operating results.
- Our results of operations may be adversely affected by fluctuations in currency values.
- The expansion of our business will subject us to taxation in a number of jurisdictions and changes in, or new interpretation of, tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect our financial condition and results of operations.
- Ownership in our ordinary shares is restricted by gaming laws and our by-laws, and persons found "unsuitable" may be required to dispose of their shares.
- We are a Bermuda company and it may be difficult for you to enforce judgments against us or certain of our officers.
- Our bye-laws restrict shareholders from bringing legal action against our officers and directors and contain provisions that may discourage a change in control.

The summary risk factors described above should be read together with the text of the full risk factors below and the other information set forth in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. If any such risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could be materially and adversely affected. The risks summarized above, or described in full below, are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that

we currently deem to be immaterial may also materially adversely affect our business, prospects, stock price, financial condition and results of operations.

Risks Related to Our Business

We have incurred net losses in the past with negative cash flows and may not be able to generate and sustain profitability or sufficient liquidity.

Since our inception, we have typically operated at a loss. At December 31, 2023 we had an accumulated deficit of $309.3 million. We incurred a net loss of $34.4 million and $197.5 million for the years ended December 31, 2023 and 2022, respectively. Additional losses would impair our liquidity and may require us to raise additional capital or to curtail certain of our operations in an effort to preserve capital. Incurring additional losses could also erode investor confidence in our ability to manage our business effectively and result in a decline in the price of our ordinary shares. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" of this Report and Note 2 – Summary of Significant Accounting Policies in our consolidated financial statements for additional information regarding our liquidity position.

We operate in a rapidly evolving industry and if we fail to successfully develop, market or sell new products or adopt new technology platforms, it could materially adversely affect our results of operations and financial condition.

Our success depends in part on our ability to keep pace with continuing changes in technology. Our GameSTACK platform and other software products compete in a market characterized by rapid technological advances, evolving standards in software technology and frequent new product introductions and enhancements that may render existing products and services obsolete. Competitors and operators are continuously upgrading their product offerings with new features, functions and gaming content. In addition, we continuously refine our software and technology platform to address regulatory changes in the markets in which we operate or plan to operate. In order to remain competitive, we will need to continuously modify and enhance our technology platform and service offerings.

We cannot assure you that we will be able to respond to rapid technological changes in our industry. In addition, the introduction of new products or updated versions of existing products has inherent risks, including, but not limited to, risks concerning:

- product quality, including the possibility of software defects, which could result in claims against us or the inability to sell our software products;
- the accuracy of our estimates of customer demand, and the fit of the new products and features with customers' needs;
- the need to educate our sales, marketing and services personnel to work with the new products and features, which may strain our resources and lengthen sales cycles;
- market acceptance of initial product releases; and
- competitor product introductions, in-house customer solutions or regulatory changes that render our new products obsolete.

Because we commit substantial resources to developing new software products and services, if the markets for these new products or services do not develop as anticipated, or demand for our products and services in these markets does not materialize or materializes later than we expect, we will have expended substantial resources and capital without realizing sufficient offsetting or resulting revenue, and our business and operating results could be materially adversely affected. Developing, enhancing and localizing software is expensive, and the investment in product development may involve a long payback cycle. Our future plans include significant additional investments in development of our software and other intellectual property. We believe that we must continue to dedicate a significant amount of resources to our development efforts to maintain our competitive position. However, we may not receive significant revenue from these investments for several years, if at all. In addition, as we or our competitors introduce new or enhanced products, the demand for our products, particularly older versions of our products may decline.

The online gaming industry is highly competitive, and if we fail to compete effectively, we could experience price reductions, reduced margins or loss of market share.

The online gaming industry is highly competitive. A number of companies offer products that are similar to our products and target the same markets as we do. Certain of our current and potential competitors have longer operating histories, significantly greater financial, technical and marketing resources, greater name recognition, broader or more integrated product offerings, larger technical staffs and a larger installed customer base than we do. These competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements, develop superior products, and devote greater resources to the development, promotion and sale of their products than we can.

Because of the rapid growth of our industry, and the relatively low capital barriers to entry in the software industry, we expect additional competition from other established and emerging companies. Some of our customers are land-based casinos that use our GameSTACK platform for rapid access to the online iGaming and sports betting markets. As these customers become more experienced or successful they may look to develop their own proprietary solutions or may look more aggressively at competing platforms. Additionally, our competitors could combine or merge to become more formidable competitors or may adapt more quickly than we can to new technologies, evolving industry trends and changing customer requirements. If we fail to compete effectively, (a) we could be compelled to reduce prices in order to be competitive, which could reduce margins and profitability, or (b) we would lose market shares either of which could materially adversely affect our strategy, our business, results of operations and financial condition.

Our business operations are subject to substantial variability, which may make it more difficult for us to forecast our financial results, and may negatively impact how investors review our results or prospects.

Our B2B revenues are generated from our SIM and RMiG customers which are casino operators, primarily in the United States. Our business growth is substantially dependent on new customer launches in existing markets and customer launches in new markets. Each of these transactions can have a significant impact both on our revenue and expenses. The process for each of these transactions is complex involving sales cycles, licensing requirements, product planning and development and marketing coordination. The success of our efforts to secure a new customer, obtain the necessary licensing and launch in a new market can have a significant impact on our financial position and results of operations. Any failure or delay could cause our revenue or operating results to differ substantially from our operating budget, guidance or analysts' expectations. It could also render period to period analysis of our operating results more difficult, leading to an increased risk of volatility in the trading price of our ordinary shares.

Our B2C revenue is generated primarily from its sportsbook operations in Northern Europe, Latin America and other international markets. Our B2C revenues can vary depending on seasonality of sporting events and our profitability can be affected by event-specific outcomes outside of our control. Following the consummation of the Coolbet acquisition, we have been operating under a new business model, an enhanced technology platform, new product offerings and an expanded base of customers and markets. Accordingly, it may be more difficult for us to forecast our future financial results and there may be an increased risk that our actual results of operations may vary materially from any guidance that we provide. Our more complex business model and offerings may also make it more difficult for analysts to assess our future prospects. Should our future operating results fall below any future guidance that our management may issue or any third-party analyst reports or consensus, it could negatively affect investors' perceptions, which could decrease demand for our ordinary shares or result in increased volatility in the trading price of our ordinary shares.

Under our revenue arrangements, if existing customers do not continue the use of our products or services, our results of operations could be materially adversely affected.

In our B2B segment, we generate revenue under contracts with casino operators that contemplate ongoing revenue arrangements that depend in part on the revenues of casino operators. The success of our business depends on our ability to retain our existing installed base of customers and to increase the scale of gaming and transactions that they run on our platform. We may experience the loss of a customer if the customer determines to close its operations, elects to develop its own online platform, or elects to contract with one of our competitors. In addition, casino operators that utilize our Super RGS platform may choose to contract directly with content providers. Such events could materially and adversely affect our revenues.

If our customers terminate their contracts with us, we will incur a reduction in revenue unless we are able to secure new customers in amounts sufficient to offset the loss. The sales cycle for our platform can be long, and there are no assurances that we will be able to rapidly replace the loss of a significant customer. A substantial portion of our expenses are fixed, and a loss of revenue would have a material adverse impact on our profitability and our financial position.

We have historically relied on a small number of customers for a substantial portion of our revenue.

For the years ended December 31, 2023 and 2022, our largest customer FanDuel accounted for 16.4% and 20.9%, respectively, of our total revenue. Our revenues from FanDuel in our B2B segment increased in 2022 with FanDuel's expansion into Ontario, Canada, but our revenues may experience a significant decline in future periods as our rights as their exclusive provider of casino gaming operations ended in January of 2023. Customer concentration in our B2B segment will tend to be more pronounced as we expand our revenue from a smaller base.

Our business strategy encompasses securing a diverse customer base including attempting to expand the amount of business with our current customers and expand into new customer accounts as we enter new geographic markets. While our 2021 acquisition of Coolbet substantially diversified our customer base, we operate in a dynamic industry, in which regulatory restrictions and enabling technologies are changing rapidly. As such, certain of our customers may experience more rapid growth than other customers, resulting in a concentration of revenue from time to time in one or a few significant customers.

At any time that we experience significant customer concentration, the loss of a key customer, for any reason, would have a significant impact on our revenue, our ability to fund operating expenses, and our financial position. In addition, the loss of any material customer could significantly decrease our market share and harm our reputation, which could affect our ability to grow and take advantage of new markets, access resulting data from such markets, and secure funding to invest into development of new products.

Our B2C sports betting operations exposes us to losses as a result of a failure to determine accurately the odds in relation to any particular event and/or any failure of its sports risk management processes, or if outcome-driven events result in unfavorable results.

Our fixed-odds wagering contracts involve betting where winnings are paid on the basis of the amount wagered and the odds quoted. Our sports betting operation is designed to set odds at a level that will provide the bookmaker with an average return over a large number of events. However, there can be significant variation in the gross win percentage for a single event or fixed period of time.

Our systems and controls seek to reduce the risk of daily losses occurring on a gross-win basis, but there can be no assurance that these controls will be effective in all situations, and consequently we face exposure to risks relating to its failure to set accurate odds or managing its sports betting risk. We may experience significant losses with respect to individual events or betting outcomes, in particular if large individual bets are placed on an event or outcomes that create disproportionate weighting to such outcomes on the events.

Odds compilers and risk managers are capable of human error, thus even allowing for the fact that a number of betting products are subject to capped pay-outs, significant volatility can occur. Any significant losses could have a material adverse effect on our business, financial condition and results of operations.

A reduction in discretionary consumer spending, from an economic downturn or disruption of financial markets or other factors, could negatively impact our financial performance.

iGaming and sports betting that we and our customers offer represent discretionary expenditures. Players' participation in those activities may decline if discretionary consumer spending declines, including during economic downturns, when consumers generally earn less disposable income. Changes in discretionary consumer spending or consumer preferences are driven by factors beyond our control, such as:

- perceived or actual general economic conditions;
- fears of recession and changes in consumer confidence in the economy;
- high energy, fuel and other commodity costs;
- the potential for bank failures or other financial crises;
- a soft job market;
- an actual or perceived decrease in disposable consumer income and wealth;
- increases in taxes, including gaming taxes or fees; and
- terrorist attacks or other global events.

During periods of economic contraction, our revenues may decrease while most of our costs remain fixed and some costs even increase, resulting in decreased earnings.

Macroeconomic conditions can materially adversely affect the Company's business, results of operations and financial condition.

Recent adverse macroeconomic conditions, including inflation, higher interest rates, slower growth or recession, the strengthening of the U.S. dollar, and corresponding currency fluctuations can have an adverse material impact on the Company's future results of operations, cash flows, and financial condition, particularly with respect to foreign currency adjustments relating to our international operations. Such conditions may also affect consumers' willingness to make discretionary purchases, and therefore the Company, along with its casino operator customers, may experience a decline in wagering. A downturn in the economic environment can also lead to increased credit and collectability risk on the Company's trade receivables, limitations on the Company's ability to issue new debt, and reduced liquidity.

We face the risk of fraud, theft, and cheating.

We face the risk that players may attempt or commit fraud or theft or cheat in order to increase winnings. Such risks include stolen credit or charge cards and hacked or stolen customer accounts. Failure to discover such acts or schemes in a timely manner could result in losses in our operations. Negative publicity related to such acts or schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business.

We face cyber security risks that could result in damage to our reputation and/or subject us to fines, payment of damages, lawsuits and restrictions on our use of data.

We rely extensively on computer systems to process transactions, maintain information and manage our businesses. In addition, our business involves the collection, storage, processing, and transmission of end users' personal data, including financial information and information about how they interact with our games and platform. We have built our reputation, in part, on the sophistication and security of our payment and financial processing.

Our industry is prone to cyber-attacks by third parties seeking unauthorized access to our information systems and data or to disrupt our ability to provide service. Our information systems and data, including those we maintain with our third-party service providers, may be subject to cyber security breaches in the future. Computer programmers and hackers may be able to penetrate our network security and misappropriate, copy or pirate our confidential information or that of third parties, create system disruptions or cause interruptions or shutdowns of our internal systems and services. Our website may become subject to denial of service attacks, where a website is bombarded with information requests eventually causing the website to overload, resulting in a delay or disruption of service. Computer programmers and hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. Also, there is a growing trend of advanced persistent threats being launched by organized and coordinated groups against corporate networks to breach security for malicious purposes.

Disruptions in the availability of our computer systems, through cyber-attacks or otherwise, could damage our computer or telecommunications systems, impact our ability to service our customers, adversely affect our operations and the results of operations, and have an adverse effect on our reputation. The costs to us to eliminate or alleviate security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and the efforts to address these problems could result in interruptions, delays, cessation of service and loss of existing or potential customers and may impede our sales, distribution and other critical functions. Although we plan to continuously develop systems and processes to protect our information systems and data, we cannot assure you that such measures will provide absolute security, that we will be able to react in a timely manner, or that our remediation efforts will be successful. We may also be subject to regulatory penalties and litigation by customers and other parties whose information has been compromised, all of which could have a material adverse effect on our business, reputation, results of operations and cash flows.

Systems failures and resulting interruptions in the availability of our websites, applications, products, or services could harm our business.

The full-time availability and expeditious delivery of our products and services is a critical part of our solution offering to our consumers. Our systems may experience service interruptions or degradation because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, human error, earthquakes, hurricanes, floods, fires, and other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses or other malware, or other events. Some of our systems are not fully redundant, and our disaster recovery planning may not be sufficient for all eventualities. In addition, as a provider of payments solutions, we are subject to heightened scrutiny by regulators that may require specific business continuity, resiliency and disaster recovery plans, and more rigorous testing of such plans, which may be costly and time-consuming and may divert our resources from other business priorities.

We also rely on facilities, components, and services supplied by third parties, including data center facilities and cloud storage services. If these third parties cease to provide the facilities or services, experience operational interference or disruptions, breach their agreements with us, fail to perform their obligations and meet our expectations, or experience a cybersecurity incident, our operations could be disrupted or otherwise negatively affected, which could result in customer dissatisfaction and damage to our reputation and brands, and materially and adversely affect our business. We do not carry business interruption insurance sufficient to compensate us for all losses that may result from interruptions in our service as a result of systems failures and similar events.

A prolonged interruption in the availability or reduction in the availability, speed, or functionality of our products and services will result in a loss of revenue and could materially harm our business. Frequent or persistent interruptions in our services could cause current or potential customers to believe that our systems are unreliable, leading them to switch to our competitors or to avoid or reduce the use of our products and services, and could permanently harm our reputation and brands. Moreover, if any system failure or similar event results in damages to our customers or their business partners, these customers or partners could seek significant compensation or contractual penalties from us for their losses, and those claims, even if unsuccessful, would likely be time-consuming and costly for us to address.

We have experienced significant non-cash impairment charges to our goodwill and other intangible assets, which may affect our results of operations in the future.

Goodwill is reviewed for impairment annually, or more frequently if an event occurs or circumstances change that may indicate that fair value of our reporting units may be below their carrying value. We determine fair value considering both the income and market approaches. Definite-lived intangible assets are evaluated for impairment if an event or change occurs such that the carrying amount may not be recoverable. We completed a significant acquisition which has resulted in significant amounts of goodwill and other intangible assets on our balance sheet, of which we recognized a total impairment to (i) goodwill ($136.9 million), (ii) intangible assets ($19.1 million), and (iii) capitalized software development costs ($10.0 million) during the year ended December 31, 2022. These non-cash charges significantly affected our results of operations. Unfavorable changes in the business climate or competitive environment, our revenue forecasts, our market capitalization, capital structure, capital expenditure levels, operating cash flows, as well as adverse legal or regulatory actions or developments could cause material impairments to the carrying value of our intangible assets or intangible assets we may obtain in future periods.

We rely on relationships with third-party content providers for a significant portion of our revenue.

We currently license gaming content from third-party software providers for inclusion in our online games and content offerings. We license these rights to provide our customers with access to online versions of popular casino-based games, reduce our development costs, to expand our content offerings and to shorten our time to market with new products and solutions. Our B2B business model is predicated on sharing revenue with our casino operators. If we were to lose access to popular game titles and content, our casino operators may experience a decline in wagering, reducing their revenue and ours. We could be compelled to pay higher prices for licenses, or incur increased expenses in an effort to develop our proprietary content, but there are no guarantees that we would be successful in either approach. The loss of compelling content could also make our solution and product offering less competitive, and our operators' customers may look for alternative vendors with access to different content.

In addition, a significant portion of customers are introduced to us by our network of content manufacturers. These content manufacturers include casino equipment manufacturers and casino gaming content designers, which do not manufacture physical gaming equipment. We may experience difficulty in maintaining or establishing third-party relationships with our content manufacturers. If we are unable to maintain good relations with our content manufacturers, our ability to organically grow our business could be harmed, which may materially adversely affect operating results and financial condition. Additionally, we are exposed to the risk that the content manufacturers through which we indirectly promote our products and services will not devote sufficient time, attention and resources to learning our products, markets and potential customers and may promote and sell competing products and services.

If we are unable to protect our intellectual property and proprietary rights, our competitive position and our business could be materially adversely affected.

The iGaming and online sports betting industries are subject to rapid technological change and we and a number of our competitors are developing technology and intellectual property that we believe is unique and provides us with a commercial advantage. We regard the protection of our developed technologies and intellectual property rights as a competitive differentiation and an important element of our business operations and crucial to our success. Unauthorized use of our intellectual property and proprietary rights may reduce our revenue, devalue our brands and property and harm our reputation.

We rely primarily on a combination of patent laws, trademark laws, copyright laws, trade secrets, confidentiality procedures and contractual provisions to protect our proprietary technology. As of December 31, 2023, we held one issued U.S. patent (patent number 8,821,296 dated September 2, 2014) with multiple claims within that single patent. We generally require our employees, consultants and advisors to enter into invention contribution and confidentiality agreements. Our efforts to protect our proprietary rights may not be adequate to prevent misappropriation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Further, the laws of many countries, including countries where we conduct business, do not protect our proprietary rights to as great an extent as do the laws of the United States and European countries. The failure of our patent, or our reliance upon copyright and trade secret laws to adequately protect our technology, might make it easier for our competitors to offer similar products or technologies.

We may in the future need to initiate infringement claims or litigation. Litigation can be expensive and time-consuming and may divert the efforts of our technical staff and managerial personnel, which could harm our business. In addition, litigation is inherently uncertain, and thus we may not be able to stop our competitors from infringing upon our intellectual property rights.

We face the risk that third parties will claim that we infringe on their intellectual property rights, which could result in costly license fees or expensive litigation.

While we respect third parties' intellectual property rights and have procedures designed to avoid the inadvertent use of third-party intellectual property, we may face claims from our competitors that the products or solutions that we develop, or those provided to us by third parties or used by our customers, infringe on third parties' intellectual property rights. Some of our competitors have substantially greater resources than we do and are able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. In addition, patent holding companies that focus solely on extracting royalties and settlements by enforcing patent rights may target us.

Any such claim may seek to prohibit our use of the third-party's intellectual property rights or may require us to obtain licenses from the holders of the patents or other intellectual property rights. We cannot assure you that we will be able to obtain any such licenses on commercially favorable terms, or at all. If we do not obtain such licenses, we could, for example, be required to cease or materially alter our product offerings and our business, operating results and financial condition could be materially adversely affected.

Future litigation may be necessary to defend ourselves, our customers or our partners by determining the scope, enforceability and validity of third-party proprietary rights or to establish our proprietary rights. Regardless of whether the infringement claims have any merit, defense of intellectual property litigation is time-consuming, costly to evaluate and defend, and could:

- adversely affect our relationships with our current or future customers or partners;
- cause delays or stoppages in providing new sales of our products;
- cause us to have to cease use of certain technology or products;
- require technology changes that would cause us to incur substantial cost;
- require us to enter into royalty or licensing agreements on unfavorable terms; and
- divert management's attention and resources.

In addition, many of our contracts provide our customers or partners with indemnification with respect to their use of our intellectual property. We cannot predict whether any existing or future third-party intellectual property rights would require us to alter our technologies, obtain licenses or cease certain activities.

We face risks related to health epidemics and other widespread outbreaks of contagious disease, which could disrupt our operations and impact our operating results.

Significant outbreaks of contagious diseases, and other adverse public health developments, could have a material impact on our business operations and operating results.

The impact of public health threats or outbreaks of communicable diseases is uncertain. Although our business proved resilient during the COVID-19 pandemic, it is uncertain whether this trend will continue, as the economic disruption and uncertainty caused by the COVID-19 pandemic may be repeated in the event of future severe outbreaks or variants. In the event of a public health crisis, government authorities may, from time to time, implement various mitigation measures, including travel restrictions, limitations on business operations, stay-at-home orders and social distancing protocols. Any prolonged deviations from normal daily operations could negatively impact our business. Additionally, any prolonged disruption of our content providers, customers, players or regulatory reviewers could delay regulatory approvals or conclusions related to new products or the finalization of new contracts entered into by us.

We are subject to risks related to corporate social responsibility, responsible gaming, reputation and ethical conduct.

Many factors influence our reputation and the value of our brands, including the perception held by our customers, business partners, investors, other key stakeholders and the communities in which we operate, such as our social responsibility, corporate governance and responsible gaming practices. We have faced, and will likely continue to face, increased scrutiny related to social, governance and responsible gaming activities, and our reputation and the value of our brands can be materially adversely harmed if we fail to act responsibly in a number of areas, such as diversity and inclusion, workplace conduct, responsible gaming, human rights, philanthropy and support for the local communities. Any harm to our reputation could impact employee engagement and retention, and the willingness of customers and partners to do business with us, which could have a materially adverse effect on our business, results of operations and cash flows.

We believe that our reputation is critical to our role as a leader in the online gaming industry and as a publicly traded company. Our Board has adopted a Code of Business Conduct as well as other related policies and procedures, and management is heavily focused on the integrity of our directors, officers, senior management, employees, other personnel and third-party suppliers and partners. Illegal, unethical or fraudulent activities perpetrated by any of such individuals, suppliers or partners for personal gain could expose us to potential reputational damage and financial loss.

Risks Related to the Merger

Regulatory approvals of the Merger may not be received, may take longer than expected, or may impose conditions that could allow Sega to abandon the Merger.

Before the Merger may be completed, various regulatory approvals must be obtained from a number of relevant gaming authorities. In determining whether to grant these approvals, such regulatory authorities consider a variety of factors, including the regulatory standing of each party. These approvals could be delayed or not obtained at all due to a number of factors considered by regulators when granting such approvals or the political environment generally.

The approvals that are granted may impose terms and conditions, limitations, obligations or costs, or place restrictions on the conduct of Sega's or the combined company's business. There can be no assurance that regulators will not impose any such conditions, limitations, obligations or restrictions and that such conditions, limitations, obligations or restrictions will not have the effect of delaying the completion of any of the transactions contemplated by the Merger Agreement, or result in the delay or abandonment of the Merger. Additionally, the completion of the Merger is conditioned on the absence of certain orders, injunctions or decrees by any court or regulatory agency of competent jurisdiction that would prohibit or make illegal the completion of any of the transactions contemplated by the Merger Agreement.

The Merger Agreement between us, Sega and Merger Sub may be terminated in accordance with its terms and the Merger may not be completed.

The Merger Agreement is subject to a number of conditions which must be fulfilled in order to complete the Merger. Those conditions include, among other things: (i) approval by our shareholders of the Merger and Merger Agreement (which occurred on February 13, 2024); (ii) the receipt of applicable regulatory gaming authorities and other authorities; (iii) the absence of any order, injunction, decree or other legal restraint preventing the consummation of the Merger or any of the other transactions contemplated by the Merger Agreement or making the completion of the Merger or any of the other transactions contemplated by the Merger Agreement illegal; (iv) that Chile does not enact any law (which is not reasonably capable of being overturned or complied with) that renders our online gaming operations illegal in that country, and (v) the accuracy of the Company's representations and warranties contained in the Merger Agreement (subject to certain customary qualifications) and compliance by the Company with its agreements and covenants contained in the Merger Agreement.

These conditions to the closing may not be fulfilled in a timely manner or at all, and, accordingly, the Merger may not be completed. In addition, the parties can mutually decide to terminate the Merger Agreement at any time, before or after the requisite shareholder approvals, Sega may terminate the Merger Agreement if applicable gaming regulatory authorities impose restrictions or impositions that would have a material adverse effect on Sega's or the combined company's business, or we or Sega may elect to terminate the Merger Agreement in certain other circumstances.

We may not be able to effect the Merger pursuant to the Merger Agreement, and failure to complete the Merger could negatively impact our stock price and the future business and financial results of the Company.

In connection with the Merger Agreement, we have incurred substantial costs planning and negotiating the transaction. These costs include, but are not limited to, costs associated with employing and retaining third-party advisors who performed the financial, auditing, and legal services required before we were able to enter into the Merger Agreement and which will continue as we seek to complete the transaction. If, for whatever reason, including those set forth above, the transactions contemplated by the Merger Agreement fail to close, we will be responsible for these costs, which could adversely affect our liquidity and financial results.

Our stock price may decline significantly if the Merger is not completed. If the Merger is not completed, our ongoing business may be adversely affected and the Company will be subject to a number of risks, including the following:

- We may be required to pay a termination fee of $6.0 million if the Merger Agreement is terminated under certain circumstances;
- We will be required to pay certain costs relating to the Merger, such as legal, accounting, financial advisor and printing fees whether or not the Merger is completed;
- Matters relating to the Merger may require substantial commitments of time and resources by our management, which could otherwise have been devoted to other opportunities that may have been beneficial to us; and
- Our customers, prospective customers, collaborators and other business partners and investors in general may view the failure to consummate the Merger as a poor reflection on our business or prospects.

Risks Related to Regulation

The online gaming industry is heavily regulated and the Company's failure to obtain or maintain applicable licensure or approvals, or otherwise comply with applicable requirements, could be disruptive to our business and could adversely affect our operations.

We and our officers, directors, major shareholders, key employees and business partners are generally subject to the laws and regulations relating to online gaming of the jurisdictions in which we conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. With each new regulated market we enter, we are generally required to secure a gaming license. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes and climates, as well as personal biases, may have a material impact on our operations and financial results.

Gaming authorities have broad discretion in determining whether to grant, or not to grant, a gaming license and/or whether to impose conditions or limitations upon such gaming license. The process of submitting applications may be expensive and time-consuming and the outcome is not assured. Regulatory regimes imposed upon gaming providers vary by jurisdiction. Typically, however, most regulatory regimes include the following elements:

- the opportunity to apply for one or more gaming licenses for one or more categories of products, whether as part of a general round of license issuance (for example, Spain) or as and when the applicant chooses to apply;
- a requirement for gaming license applicants to make detailed and extensive disclosures as to their beneficial ownership, their source of funds, the probity and integrity of certain persons associated with the applicant, the applicant's management competence and structure and business plans, the applicant's proposed geographical territories of operation and the applicant's ability to operate a gaming business in a socially responsible manner in compliance with applicable laws and regulations;
- interviews and assessments by the relevant gaming authority intended to inform a regulatory determination of the suitability of applicants for gaming licenses;
- assessments by the relevant gaming authority intended to inform a regulatory determination of the continued suitability of gaming license holders;
- ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business;
- the testing and certification of software and systems, generally designed to confirm such things as the fairness of the gaming products offered by the business, their genuine randomness and ability accurately to generate settlement instructions and recover from outages;
- the need to account for applicable gaming duties and other taxes and levies, such as fees or contributions to bodies that organize the sports on which bets are offered, as well as contributions to the prevention and treatment of problem gaming; and
- social responsibility obligations.

If we fail to obtain the necessary gaming license in a given jurisdiction, we would likely be prohibited from distributing and providing our product offerings in that particular jurisdiction altogether. If we fail to seek, do not receive, or receive a suspension or revocation of a license in a particular jurisdiction for our product offerings (including any related technology and software) then we cannot offer the same in that jurisdiction and our gaming licenses in other jurisdictions may be impacted. Furthermore, some jurisdictions require license holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, share offerings and repurchases. We may not be able to obtain all necessary gaming licenses in a timely manner, or at all. Delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for our product offerings. If we are unable to overcome the barriers to entry, it will materially affect our results of operations and future prospects.

To the extent new online gaming jurisdictions are established or expanded, we cannot guarantee we will be successful in penetrating such new jurisdictions or expanding our business or customer base in line with the growth of existing jurisdictions.

As we directly or indirectly enter into new markets, we may encounter legal, regulatory and political challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity. If we are unable to effectively develop and operate directly or indirectly within these new markets or if our competitors are able to successfully penetrate geographic markets that we cannot access or where we face other restrictions, then our business, operating results and financial condition could be impaired. Our failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on our business.

Once a gaming license is granted violations of any gaming related requirements could result in the revocation of a gaming license, the imposition of fines, conditions, or limitations, all of which could adversely affect our operations and financial viability.

Once we have been granted a gaming license, we are required to comply with the applicable statutory and/or regulatory requirements, policy directives, and license conditions and/or limitations. Failure to comply with any of such, could result in a gaming regulator bringing a disciplinary action against us. We have previously been assessed fines related to failure to comply with license conditions and codes of practice. We cannot predict the outcome of any current or future regulatory review.

Disciplinary action could range from the imposition of fines, further conditions or limitations imposed upon the gaming license, to the revocation of previously granted gaming licenses. The imposition of any such disciplinary actions could adversely affect our operations in that jurisdiction and its financial viability. Further, the disciplinary action in one jurisdiction could result in separate disciplinary action being brought by another gaming regulator, which could further adversely affect our operations in those jurisdictions and its financial viability.

The online gaming industry is rapidly expanding and evolving, which the proliferation of new and changing regulatory frameworks increases costs and increases the risk of non-compliance.

The online gaming and interactive entertainment industries are relatively new and continue to evolve. As additional jurisdictions initiate regulation, legal and regulatory developments (such as passing new laws or regulations or extending existing laws or regulations to online gaming and related activities), taxation of gaming activities, data and information privacy, anti-money laundering and 'know your customer' laws and regulations, and payment processing laws and regulations, are continuing to evolve in ways we are unable to predict and which are beyond our control.

Given the dynamic evolution of these industries, it can be difficult to plan strategically, including as it relates to product launches in new or existing jurisdictions, which may be delayed or denied, and it is possible that competitors will be more successful than us at adapting to change and pursuing business opportunities. Additionally, as the online gaming industry advances, including with respect to regulation in new and existing jurisdictions, we will become subject to additional compliance-related costs, including regulatory infractions, licensing and taxes. Consequently, we cannot provide assurance that our online and interactive offerings will grow at the rates expected or be successful in the long term.

Our B2C operations generate a significant portion of its revenues from "unregulated" markets and changes in regulation in those markets could result in us losing business in those markets, incurring additional expenses in order to comply with any new regulatory scheme, or potentially exiting the market.

Our B2C operations currently generate a significant portion of its revenues in markets that currently do not have a local licensing scheme, including Latin America and Northern Europe. Certain of those markets, or other markets where we may operate in the future, are in the process of developing regulations that require registration and regulatory compliance or could do so in the near term. The adoption of regulations and licensing requirements may increase costs, reduce net gaming revenue or require us to cease operations depending on the range of unforeseen developments in proposed rules and regulations governing online gaming in the international markets in which we currently operate.

Our B2C operations generate a significant portion of our revenue in markets where tax regulations are evolving, and could result in additional tax liabilities that could materially affect our financial condition and results of operations.

Our B2C operations currently generate a significant portion of its revenues in markets that have evolving tax legislation, including Latin America and Canada. Those markets, or other markets where we may operate in the future are actively considering or could adopt regulations that adversely affect our operations. The adoption of tax regulations may increase costs, reduce net gaming revenue or require us to cease operations depending on the range of unforeseen possible changes to the statutes governing online gaming in the international markets in which we currently operate.

Compliance with evolving data privacy regulations may cause us to incur additional expenses, and any violation could result in damage to our reputation and/or subject us to fines, payment of damages, lawsuits and restrictions on our use of data.

We collect and process information relating to our employees, our customer operators, our customers' end user players, and others for various business purposes, including payment processing, marketing and promotional purposes. The collection and use of personal data are governed by privacy laws and regulations enacted by the various U.S. states, and other jurisdictions around the world. Privacy laws and regulations continue to evolve and on occasion may be inconsistent between jurisdictions. Various federal, state and foreign legislative or regulatory bodies may enact or adopt new or additional laws and regulations concerning privacy, data retention, data transfer, and data protection. For example, the European Union has adopted a data protection regulation known as the General Data Protection Regulation, or "GDPR", which became fully enforceable in May 2018, that includes operational and compliance requirements with significant penalties for non-compliance. In addition, California has enacted a new privacy law, known as the California Consumer Privacy Act of 2018, which became effective in 2020 and provides some of the strongest privacy requirements in the United States.

Compliance with applicable privacy laws and regulations may increase our operating costs and/or adversely impact our ability to provide and market our products, properties and services. In addition, non-compliance with applicable privacy laws and regulations by us (or in some circumstances non-compliance by third parties engaged by us), including accidental loss, inadvertent disclosure, unapproved dissemination or a breach of security on systems storing our data may result in damage to our reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data. We rely on proprietary and commercially available systems, software, and tools to provide security for processing of customer and employee information, such as payment card and other confidential or proprietary information. Our data security measures are reviewed and evaluated regularly; however, they might not protect us against increasingly sophisticated and aggressive threats including, but not limited to, computer malware, viruses, hacking and phishing attacks by third parties.

Any violation of the Bank Secrecy Act or other similar anti-money laundering laws and regulations could have a negative impact on us.

Our operations are subject to reporting and anti-money laundering ("AML") regulations in various jurisdictions. In recent years, governmental authorities have been increasingly focused on AML policies and procedures, with a particular focus on the gaming industry. Any violation of AML laws or regulations could result in fines, administrative expenses, and have a negative effect on our business reputation, ability to secure and retain gaming licenses, and have a negative effect on our results of operations.

We have identified a material weakness in connection with our internal control over financial reporting which, if not remediated, could adversely affect our business, reputation and stock price.

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, material weaknesses were identified in the Company's internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's interim or annual condensed consolidated financial statements will not prevented or detected on a timely basis.

During the course of management's prior year-end procedures, the Company's management and the audit committee of the board of directors identified deficiencies in the design of the control environment whereby certain finance users were granted "super user" access and security administration rights to the financial reporting systems, the activity of these users with elevated access were not actively monitored, and no segregation of duties over journal entry preparation and approval within the B2C segment existed and determined that these deficiencies constituted a material weakness. While the Company has actively begun to implement controls to remediate the material weakness, this material weakness has not been resolved as of December 31, 2023. We can give no assurance that these measures will remediate the remaining material weakness in internal control, or that additional material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that may lead to additional restatements of our financial statements or cause us to fail to meet our reporting obligations. Any such failure could also lead to reputational damage and a decrease in the market price of our stock.

Risks Related to our International Operations

We have business operations located in many countries and a significant level of operations outside of the U.S., which subjects us to additional costs and risks that could adversely affect our operating results.

A significant portion of our customer base and operations are located outside of the United States. Compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business. As a result of our international operations, we are subject to a variety of risks and challenges in managing an organization operating in various countries, including those related to:

- challenges caused by distance as well as language and cultural differences;
- general economic conditions in each country or region;
- regulatory changes;
- political unrest, terrorism and the potential for other hostilities;
- public health risks, particularly in areas in which we have significant operations;
- longer payment cycles and difficulties in collecting accounts receivable;
- overlapping or changes in tax regimes;
- difficulties in transferring funds from certain countries;
- laws such as the U.K. Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act, and local laws which also prohibit corrupt payments to governmental officials; and
- reduced protection for intellectual property rights in some countries.

If we are unable to effectively staff and manage our global operations, we may not realize, in whole or in part, the anticipated benefits from our international operations which in turn could materially adversely affect our business, financial condition, and results of operations.

Our results of operations may be adversely affected by fluctuations in foreign currency values.

As a result of our global operations, we generate a portion of our revenue and incur a portion of our expenses in currencies other than the U.S. dollar. Our primary currency exposures are the British Pound, Euro, Bulgarian Lev, Israeli Shekel, and Australian Dollar. For example, we have a significant amount of our Euro-denominated transactions associated with revenue, a devaluation of the Euro relative to the U.S. dollar would adversely affect our results of operations reported in the U.S. dollar. As our transactions in British Pounds are primarily expenses, a decline of the U.S. dollar relative to the British Pound would negatively impact our results of operations reported in the U.S. dollar. The financial condition, results of operations and cash flows of some of our operating entities are reported in currencies other than the U.S. dollar and then translated into U.S. dollars at the applicable exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the U.S. dollar against those other currencies generally will have a negative impact on our reported revenue and profits while depreciation of the U.S. dollar against other currencies will generally have positive effect on reported revenue and profits. Any significant decline in the value of these currencies as compared to the U.S. dollar would have a material adverse impact on our results of operations.

The expansion of our business will subject us to taxation in a number of jurisdictions and changes in, or new interpretation of, tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect our financial condition and results of operations.

We pay U.S. federal, state and international taxes due to our global operations and the locations in which we operate. We are subject to taxation in a number of international jurisdictions. The tax laws applicable to our business are myriad, and are subject to interpretation, and significant judgment is required in determining our provision for income taxes. In the course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Consequently, our results may differ from previous estimates and may materially affect our consolidated financial statements.

The gaming industry represents a significant source of tax revenue to the jurisdictions in which we will operate. Gaming companies and B2B providers in the gaming industry (directly and/or indirectly by way of their commercial relationships with operators) are currently subject to significant taxes and fees in addition to normal corporate income taxes, and those taxes and fees are subject to increase at any time. In addition, any worsening of economic conditions and the large number of jurisdictions with significant current or projected budget deficits could intensify the efforts of governments to raise revenues through increases in gaming taxes and/or other taxes. It is not possible to determine with certainty the likelihood of changes in tax laws or in the administration or interpretation or enforcement of such laws. Any material increase, or the adoption of additional taxes or fees, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to periodic review and audit by U.S. and foreign tax authorities. Tax authorities may disagree with certain tax positions that we have taken or that we will take, and any adverse outcome of such a review or audit could have a negative effect on our business, financial condition and results of operations. Although we believe that our income tax provisions, positions and estimates are reasonable and appropriate, tax authorities may disagree with certain positions we have taken. In addition, economic and political pressures to increase tax revenue in various jurisdictions may make resolving tax disputes favorably more difficult.

U.S. Holders of our ordinary shares could be subject to material adverse tax consequences if we are considered a Passive Foreign Investment Company for U.S. federal income tax purposes.

There is a risk that we could be classified as a Passive Foreign Investment Company (“PFIC”), for U.S. federal income tax purposes. Our status as a PFIC could result in a reduction in the after-tax return to U.S. Holders of our ordinary shares and may cause a reduction in the value of our ordinary shares. A corporation is classified as a PFIC for any taxable year in which either (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of the average quarterly value of all its assets consists of assets that produce, or are held for the production of, passive income. For this purpose, passive income generally includes among other things, dividends, interest, certain rents and royalties, annuities, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Based on the projected composition of our income and valuation of our assets, we do not believe we would have been a PFIC in any previous taxable year, and we do not expect to become a PFIC in the foreseeable future, although there can be no assurance in this regard. The U.S. Internal Revenue Service or a U.S. court could determine that we are or were a PFIC in any past, current, or future taxable years. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies, which in some circumstances are unclear and subject to varying interpretation. If we were classified as a PFIC, U.S. Holders of our ordinary shares could be subject to greater U.S. income tax liability than might otherwise apply, imposition of U.S. income tax in advance of when tax would otherwise apply and detailed tax filing requirements that would not otherwise apply. The PFIC rules are complex and a U.S. holder of our ordinary shares is urged to consult its tax advisors regarding the possible application of the PFIC rules.

Risks Related to Corporate Governance Matters

Ownership in our ordinary shares is restricted by gaming laws and our by-laws, and persons found "unsuitable" may be required to dispose of their shares.

Gaming authorities have the right to investigate any individual or entity having a relationship to, or involvement with, our Company or any of its subsidiaries, to determine whether such individual or entity is suitable as a business associate of ours. Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, sometimes 5%, to report the acquisition to the gaming authorities, and the gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for "institutional investors" that hold a company's voting securities for investment purposes only. Subject to certain administrative proceeding requirements, gaming authorities have broad discretion to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities.

Any person found unsuitable by a gaming authority may not hold directly or indirectly ownership of any voting security or the beneficial or record ownership of any nonvoting security or any debt security of any public corporation which is registered with the relevant gaming authority beyond the time prescribed by the relevant gaming authority. Our by-laws include certain provisions to ensure that we comply with applicable gaming laws. These provisions provide, among other things, that GAN Limited is prohibited from carrying on Gaming or Gaming Activities (as defined therein) itself and that our Board of Directors has the right to cause a forced sale of the ordinary shares held by an unsuitable person. Any such forced sale may negatively affect the trading price of our ordinary shares and may negatively affect the liquidity of our ordinary shares.

We are a Bermuda company and it may be difficult for you to enforce judgments against us or certain of our officers.

We are a Bermuda exempted company. As a result, the rights of holders of our ordinary shares will be governed by Bermuda law and our memorandum of association and by-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Bermuda legislation regarding companies is largely based on English corporate law principles. However, there can be no assurance that Bermuda law will not change in the future or that it will serve to protect investors in a similar fashion afforded under corporate law principles in the United States, which could adversely affect the rights of investors. Certain of our officers are not residents of the United States, and a substantial portion of our assets are located outside the United States. As a result, it may be difficult for investors to effect service of process on those persons in the United States or to enforce in the United States, judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. federal securities laws. We have been advised by our special Bermuda counsel that uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, or entertain action in Bermuda against us or our directors or officers.

Furthermore, we have been advised by our special Bermuda counsel that Bermuda courts will not recognize or give effect to U.S. federal securities laws that such Bermuda courts consider to be procedural in nature, are revenue or penal laws or the application of which would be inconsistent with public policy in Bermuda. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, will not be recognized or given effect to in any action brought before a court of competent jurisdiction in Bermuda where the application of such remedies would be inconsistent with public policy in Bermuda. Further, no claim may be brought in Bermuda against us or our directors and officers in the first instance for violations of U.S. federal securities laws because those laws do not have the force of law in Bermuda. A Bermuda court may, however, impose civil liability on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

Shareholders of a Bermuda company may have a cause of action against us or our directors for breach of any duty in the by-laws or any shareholders' agreement owed personally by us to the shareholder. Directors of a Bermuda company may be liable to the company for breach of their duties as directors to the company under the Bermuda Companies Act, and under common law. Such actions must, as a general rule, be brought by the company. Where the directors have carried on an act which is ultra vires or illegal, then the shareholder has the right, with leave of the court, to bring a derivative action to sue the directors on behalf of the company with any damages awarded going to the company itself. Shareholders are also able to take action against a company if the affairs of the company are being conducted in a manner which is oppressive or unfairly prejudicial to the shareholders or some number of them, and to seek either a winding-up order or an alternative remedy if a winding-up order would be unfairly prejudicial to them.

Our by-laws restrict shareholders from bringing legal action against our officers and directors.

Our by-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director or any claims of violations of the Securities Act of 1933 or the Securities Exchange Act of 1934 the waiver of which would be prohibited by Section 14 of the Securities Act and Section 29(a) of the Exchange Act. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

We have provisions in our by-laws that may discourage a change of control.

Our by-laws contain provisions that could make it more difficult for a third-party to acquire us without the consent of our Board of Directors. These provisions include, among others:

- restrictions on the time period in which directors may be nominated;
- the prohibition of cumulative voting in the election of directors;
- the requirement for shareholders wishing to propose a person for election as a director (other than persons proposed by our Board of Directors) to give advance written notice of nominations for the election of directors; and
- certain provisions to ensure that we comply with applicable gaming laws, which provide, among other things, that our Board of Directors has the right to cause a forced sale of the ordinary shares held by an "unsuitable" person (see the risk factor above entitled "Ownership in our ordinary shares is restricted by gaming laws and our by-laws, and persons found "unsuitable" may be required to dispose of their shares").

These provisions could make it more difficult for a third-party to acquire us, even if the third-party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

In the ordinary course of our business, we collect, process, store, and transmit players' data, including confidential, sensitive, proprietary, and personal information. Maintaining the confidentiality, integrity and availability of our information technology systems and data, as well as appropriate limitations on access to such information, is important to our operations and business strategy. To this end, we have implemented various Information Security programs aligned to ISO and NIST cyber security frameworks with functions incorporating the "Identify", "Protect", "Detect", "Respond", and "Recover" concepts. They are designed to assess, identify, and manage risks from potential unauthorized occurrences on or through our information technology systems that may result in adverse effects on the confidentiality, integrity, and availability of these systems and the data residing in them.

The security program is managed and monitored by a dedicated Information Security team, which is led by our Vice President of Global Information Security, the Company's designated Chief Information Security Officer ("CISO"), and includes mechanisms, controls, technologies, systems, policies and other processes designed to prevent, detect, respond, and recover from data loss, theft, misuse, or other security incidents or vulnerabilities affecting the systems and data residing in them. For example, we have adopted a risk-based approach to security which includes continuous risk assessments, vulnerability scans and periodic penetration and testing. We perform due diligence on our key technology vendors and other contractors and suppliers. We also conduct employee training on cyber and information security, among other topics. Our security program is subjected to independent external audits annually to evaluate the effectiveness of our security program and identify areas for continuous improvement.

Our CISO, who reports directly to the Chief Technology Officer, is a Certified Information Systems Security Professional with over 20 years of experience managing information technology and cybersecurity matters, including more than four years in gaming and two years at GAN Limited. Members of the information security team who support the security program hold relevant educational and professional credentials with experience in similar roles from other technology companies. The CISO and Information Security team, together with our Privacy and Data Protection Team, led by a dedicated Data Protection Officer are responsible for assessing and managing cybersecurity risks. We consider cybersecurity, along with other significant risks that we face, within our overall enterprise risk management framework. In the last fiscal year, we have not identified any prior cybersecurity incidents that have materially affected us, but we face certain ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us. Additional information on cybersecurity risks we face is discussed in Part I, Item 1A, "Risk Factors".

The Board of Directors, as a whole and at the committee level, has oversight for the most significant risks facing us and for our processes to identify, prioritize, assess, manage, and mitigate those risks. The Board of Directors receive updates on cybersecurity and information technology matters and related risk exposures from our CISO and CTO as well as other members of the senior leadership team.

ITEM 2. PROPERTIES

Our corporate headquarters is located at 400 Spectrum Center Drive, Suite 1900, Irvine, California 92618. In addition to our corporate headquarters, we have regional offices in Bulgaria, Israel, and Estonia. We lease our corporate headquarters and each of our regional offices. We believe that our current facilities are adequate to meet our needs for the near future and that suitable additional or alternative space will be available on commercially reasonable terms to accommodate our foreseeable future operations.

ITEM 3. LEGAL PROCEEDINGS

The Company may be subject to legal actions and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation, which are considered other than routine legal proceedings. The Company believes the ultimate disposition or resolution of its routine legal proceedings will not have a material adverse effect on its financial position, results of operations or liquidity.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market Information

Our ordinary shares have been listed on The Nasdaq Capital Market under the symbol "GAN" since May 7, 2020. Prior to that date, our predecessor entity, GAN plc, was a public limited company incorporated under the laws of England and Wales. Since 2013 through the date of our initial public offering, the ordinary shares of GAN plc traded on AIM, a market operated by the London Stock Exchange under the symbol "GAN."

On May 5, 2020, we affected a reorganization and share exchange in which 21,593,910 ordinary shares of GAN Limited, together with cash consideration in the aggregate amount of £2.0 million, were issued to the shareholders of GAN plc in exchange for all outstanding ordinary shares of GAN plc, after which time GAN plc became a wholly-owned subsidiary of GAN Limited.

On March 22, 2023, we had 118 holders of record of our ordinary shares. A substantially greater number of holders are beneficial owners whose shares are held of record banks, brokers and other nominees. The transfer agent and registrar for our ordinary shares is Continental Stock Transfer and Trust Company.

Dividends

We have never declared or paid any cash dividends on our ordinary shares. We currently intend to retain our future earnings, if any, to finance the operation and expansion of our business. We do not expect to pay cash dividends on our ordinary shares in the foreseeable future. Our payment of dividends in the future, if any, will be determined by our Board of Directors and will be paid out of funds legally available for that purpose.

Issuer Purchases of Equity Securities

During the quarter ended December 31, 2023, the Company had no share repurchases.

ITEM 6. [RESERVED]

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

You should read the following discussion and analysis of our financial condition and results of operations together with the Company's consolidated financial statements and the related notes thereto. Some of the information contained in this discussion and analysis or set forth elsewhere, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

GAN Limited is a Bermuda exempted holding company and through its subsidiaries, operates in two lines of business. We are a business-to-business ("B2B") supplier of enterprise Software-as-a-Service ("SaaS") solutions for online casino gaming, commonly referred to as iGaming, and online sports betting applications. Beginning with our January 2021 acquisition of Vincent Group p.l.c., a Malta public limited company ("Coolbet"), we are also a business-to-consumer ("B2C") developer and operator of an online sports betting and casino platform, which offers consumers in select markets in Northern Europe, Latin America and Canada a digital portal for engaging in sports betting, online casino games and poker. These two lines of business are also the Company's reportable segments.

The B2B segment develops, markets and sells instances of and GameSTACK technology, GAN Sports, and iSight Back Office that incorporates comprehensive player registration, account funding and back-office accounting and management tools that enable casino operators to efficiently, confidently and effectively extend their online presence. GAN Sports, our newest product offering following the acquisition of Coolbet, launched in September 2022 and aims to provide a best-in-class B2B sports betting product in the U.S. and Canada.

The B2C segment includes the operations of Coolbet. Coolbet develops and operates an online sports betting and casino platform that is accessible through its website in markets across Northern Europe, Latin America, and Canada.

To meet demand and serve our growing number of U.S. casino operator clients, we continue to invest in our software engineering capabilities and expand our operational support. The most significant component of our operating costs generally relate to our employee salary costs and benefits. Also, operating costs include technology and corporate infrastructure related-costs, as well as marketing expenditures with a focus on increasing and retaining B2C end-users.

Our net loss was $34.4 million and $197.5 million for the years ended December 31, 2023 and 2022, respectively.

We believe that our current technology is highly scalable and can support the launch of our product offerings for new customers and in new jurisdictions. We expect to improve our profitability through increased revenues from:

- organic growth of our existing casino operators,
- expansion into newly regulated jurisdictions with existing and new customers,
- margin expansion driven by the integration of Coolbet's sports betting technology in our B2B product offerings,
- strategically reducing our existing worldwide global workforce to simplify and streamline our organization and strengthen the overall competitiveness of our B2B segment,
- revenue expansion from the roll-out of our Super RGS content offering to B2C operators who are not already clients, and
- organic growth of our B2C business in existing and new jurisdictions.

We hold a U.S. patent, which governs the linkage of on-property reward cards to their counterpart internet gambling accounts together with bilateral transmission of reward points between the internet gaming technology system and the land-based casino management system present in all U.S. casino properties.

Critical Accounting Policies and Estimates

Our accounting policies are more fully described in Note 2 – Summary of Significant Accounting Policies of our Notes to Consolidated Financial Statements included in this report. As disclosed in Note 2, the preparation of financial statements in accordance with accounting principles generally accepted in the United States requires the use of judgments and estimates. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under current circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. We consider the following to be our most critical accounting estimates that involve significant judgment:

Revenue Recognition

Our revenue recognition policies described in Note 2 – Summary of Significant Accounting Policies, require us to make significant judgments and estimates. Accounting Standards Codification ("ASC") 606 requires that we apply judgments or estimates to determine the performance obligations, the stand-alone selling prices of our performance obligations to customers, allocation of the transaction price, and the timing of transfer of control of the respective performance obligations. The evaluation of each of these criteria requires consideration of contract specific facts and circumstances is naturally judgmental, but certain judgments could significantly affect the amount or timing of revenue recognized if we were to reach a different conclusion. The critical judgments we are required to make in our assessment of contracts with customers that could significantly affect the timing or amount of revenue recognized are:

Stand-Alone Selling Price and Allocation of Transaction Price. ASC 606 requires that we determine the stand-alone selling price for our goods and services as a basis for allocating the transaction price to the identified distinct performance obligations in our contracts with customers. Because we often bundle the selling price for hardware or services or we may license systems for which the solutions we provide are highly customized and therefore the prices vary, the determination of a stand-alone selling price requires significant judgment.

For performance obligations that involve multiple products or services, we allocate the transaction price to be applied to each performance obligation based on an estimation of the stand-alone selling price. We typically determine the stand-alone selling price based on the amounts that we charge when sold separately in similar circumstances to similar customers. In instances where the stand-alone selling price cannot be determined using an adjusted market assessment approach, we have used other allocation methods in accordance with ASC 606, including a residual approach to allocate a stand-alone selling price.

Business Combinations

We account for business combinations in accordance with ASC 805, Business Combinations. This standard requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction and establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed in a business combination.

Determining the fair value of assets acquired and liabilities assumed requires management judgment and often involves the use of significant estimates and assumptions with respect to the timing and amounts of future cash inflows and outflows, discount rates, market prices and asset lives, among other items. These estimates are based on information obtained from management of the acquired company and historical experience and are generally made with the assistance of an independent valuation firm. These estimates can include, but are not limited to, the cash flows that an asset is expected to generate in the future, and the cost savings expected to be derived from acquiring an asset. Any changes in the underlying assumptions can impact the estimates of fair value by material amounts, which can in turn materially impact our results of operations. These estimates are inherently uncertain and unpredictable, and, if different estimates were used, the purchase price for the acquisition could be allocated to the acquired assets and liabilities differently from the allocation that we have made. In addition, unanticipated events and circumstances may occur which affect the accuracy or validity of such estimates, and, if such events occur, we may be required to record a charge against the value ascribed to an acquired asset or an increase in the amounts recorded for assumed liabilities.

If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these fair values, we may have to record impairment charges in the future. In addition, we have estimated the useful lives of certain acquired assets, and these lives are used to compute depreciation and amortization expense. If our estimates of the useful lives change, depreciation and amortization expense may be required to be accelerated or decelerated.

Goodwill

Goodwill is reviewed for impairment annually as of October 1st, or more frequently if indicators of impairment exist. A significant amount of judgment is involved in determining if an indicator of goodwill impairment has occurred. Such indicators may include, among others: a significant decline in expected future cash flows; a significant adverse change in legal factors or in the business climate; unanticipated competition; and the testing for recoverability of a significant asset group within a reporting unit. Our goodwill impairment analysis also includes a comparison of the aggregate estimated fair value of all reporting units to our total market capitalization. Therefore, our shares may trade below our book value and a significant and sustained decline in our share price and market capitalization could result in goodwill impairment charges. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

Goodwill impairment testing involves a comparison of the estimated fair value of a reporting unit to its respective carrying amount, which may be performed utilizing either a qualitative or quantitative assessment. A reporting unit is defined as an operating segment or one level below an operating segment. The qualitative assessment evaluates various events and circumstances, such as macro-economic conditions, industry and market conditions, cost factors, relevant events and financial trends that may impact a reporting unit's fair value. If it is determined that the estimated fair value of the reporting unit is more-likely-than-not less than the carrying amount, including goodwill, a quantitative assessment is required. Otherwise, no further analysis is necessary.

In a quantitative assessment, the fair value of a reporting unit is determined and then compared to its carrying value. A reporting unit's fair value is determined based upon consideration of various valuation methodologies, including the income approach, which utilizes projected future cash flows discounted at rates commensurate with the risks involved, and multiples of current and future earnings. If the fair value of a reporting unit is less than its carrying value, a goodwill impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

We estimated the fair value of all reporting units utilizing both a market approach and an income approach (discounted cash flow) and the significant assumptions used to measure fair value include discount rate, terminal value factors, revenue and EBITDA multiples, and control premiums.

The income approach used to test our reporting units includes the projection of estimated operating results and cash flows, discounted using a weighted-average cost of capital ("WACC") that reflects current market conditions appropriate to each reporting unit. Those projections involve management's best estimates of economic and market conditions over the projected period, including growth rates in revenues and costs and best estimates of future expected changes in operating margins and cash expenditures. Other significant assumptions and estimates used in the income approach include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. In addition, the WACC utilized to discount estimated future cash flows is sensitive to changes in interest rates and other market rates in place at the time the assessment is performed.

The market approach used to test our reporting units included the review of revenue and EBITDA multiples from other publicly traded companies in the industry used to derive their enterprise values and the application of those multiples to the relevant earnings streams within each of our reportable segments.

We confirmed the reasonableness of the estimated reporting unit fair values under the income and market approaches by reconciling those fair values to our enterprise value and market capitalization. Data points from other market participants were additionally used which suggested that the lower end of valuation ranges related to our B2C segment may be applicable while adverse regulatory changes in certain markets in which we operate were pending.

Share-Based Compensation

Management measures equity-classified share-based awards at fair value at the date of grant and expenses the cost on a straight-line basis over the requisite service period of the entire award, generally defined as the vesting period, along with a corresponding increase in equity. Forfeitures are recorded in the period in which they occur with the impact, if any, recognized in the consolidated statements of operation with a corresponding adjustment to equity.

The fair value of share options is determined using a Black-Scholes model, taking into consideration management's best estimate of the expected life of the option and the estimated number of shares that will eventually vest. Application of the option-pricing model involves the use of estimates, judgment and assumptions that are highly complex and subjective and are outlined below as they pertain to grants subsequent to our initial public offering.

Expected Term – represents the period of time that awards granted are expected to be outstanding. In determining the expected term of the award, future exercise and forfeiture patterns are estimated from historical employee exercise behavior. These patterns are also affected by the vesting conditions of the award. Changes in the future exercise behavior of employees or in the vesting period of the award could result in a change in the expected term. An increase in the expected term would result in an increase to our expense.

Volatility – a measure of the amount by which the price of our ordinary shares is expected to fluctuate each year during the expected term of the award. Our expected volatility is determined by reference to volatility of certain identified peer groups, share trading information and share prices on the Nasdaq. The implied volatilities from traded options are impacted by changes in market conditions. An increase in the volatility would result in an increase in our expense.

Expected Dividend Yield – is based on our historical dividend yield, which is zero – as we have not historically paid dividends. If we were to begin paying dividends, the dividend yield would increase and result in a decrease in our expense.

Risk-Free Interest Rate – is based on the U.S. Treasury yield curve in effect at time of grant. As the risk-free interest rate increases, the expected term increases, resulting in an increase in our expense.

Capitalization and Impairment of Internally Generated Intangible Assets

Management reviews expenditures, including wages and benefits for employees, incurred on development activities and, based on their judgment of the costs incurred, assesses whether the expenditure meets the capitalization criteria set out in ASC 350 and the intangible assets accounting policy within the notes to our consolidated financial statements. Management specifically considers if additional expenditure on projects relates to maintenance or new development projects. In addition, the useful life of capitalized development costs is determined by management at the time the software is brought into use and is regularly reviewed for appropriateness. For unique software products we control and develop, the life is based on historical experience with similar products as well as anticipation of future events, which may impact their useful economic life, such as changes in technology.

Management reviews intangible assets at each reporting period to determine potential impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be fully recoverable. Recoverability is measured by comparing the carrying amount of the intangible asset with the future undiscounted cash flows the asset is expected to generate. Management must make estimates related to future cash flows and discount rates that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If such assets are considered impaired, an impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the intangible asset.

Income Taxes

We operate in a number of jurisdictions and our effective tax rate is based on our income, statutory tax rates, tax planning opportunities and transfer pricing policies in the various jurisdictions in which we operate. Judgment is required in respect of the interpretation of state, federal and international tax law and practice as e-commerce and tax continues to evolve. Our income tax rate is significantly affected by the tax rates that apply to our foreign earnings.

Deferred tax assets represent amounts available to reduce income taxes payable in future years. Such assets arise from temporary differences between the financial reporting and tax basis of assets and liabilities, as well as from net operating losses and tax credit carryforwards. Deferred tax assets are recognized to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized. This assessment of future taxable profits relies heavily on estimates that are based on a number of factors, including historical results and future business forecasts. To the extent deferred tax assets are not expected to be realized, we record a valuation allowance.

Research and development tax relief is recognized as an asset once there is sufficient evidence that any amount we may claim will be received. A key judgement arises with respect to the likelihood of a claim being successful when a claim has been quantified but has not been received. In making this judgement, we consider the nature of the claim and in particular the track record of success of previous claims.

We are subject to income taxes in numerous jurisdictions and there are transactions for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. We recognize a provision for situations that might arise in the foreseeable future based on an assessment of the probabilities as to whether additional taxes will be due. An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred.

Consolidated Results of Operations

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth our consolidated results of operations for the periods indicated:

	Year Ended December 31,		Change	
	2023	2022	Amount	Percent
(dollars in thousands)				
Revenue	$ 129,419	$ 141,528	$ (12,109)	(8.6)%
Operating costs and expenses				
Cost of revenue [1]	38,700	41,634	(2,934)	(7.0)%
Sales and marketing	28,972	28,303	669	2.4%
Product and technology	38,243	35,195	3,048	8.7%
General and administrative [1]	36,657	37,848	(1,191)	(3.1)%
Impairment	—	166,010	(166,010)	n.m.
Restructuring	—	1,771	(1,771)	n.m.
Depreciation and amortization	17,161	23,276	(6,115)	(26.3)%
Total operating costs and expenses	159,733	334,037	(174,304)	(52.2)%
Operating loss	(30,314)	(192,509)	162,195	(84.3)%
Other loss, net	3,992	1,047	2,945	n.m.
Loss before income taxes	(34,306)	(193,556)	159,250	(82.3)%
Income tax expense	138	3,942	(3,804)	(96.5)%
Net loss	$ (34,444)	$ (197,498)	$ 163,054	(82.6)%

[1] Excludes depreciation and amortization expense
n.m. = not meaningful

Geographic Information

The following table sets forth our consolidated revenue by geographic region, for the periods indicated:

	Year Ended December 31,		Percentage of Revenue		Change	
	2023	2022	2023	2022	Amount	Percent
(dollars in thousands)						
United States	$ 31,758	$ 45,615	24.5%	32.2%	$ (13,857)	(30.4)%
Europe	47,788	45,092	36.9%	31.9%	2,696	6.0%
Latin America	39,935	44,078	30.9%	31.1%	(4,143)	(9.4)%
Rest of the world	9,938	6,743	7.7%	4.8%	3,195	47.4%
Total revenue	$ 129,419	$ 141,528	100.0%	100.0%	$ (12,109)	(8.6)%

Revenue

Revenue was $129.4 million for the year ended December 31, 2023, a decrease of $12.1 million from the comparable period in 2022. The decrease was attributable to a decrease of $10.8 million in our B2B revenues, which was driven by a decrease in our contractual revenue rates related to the expiration of an exclusivity period with a B2B customer, and a decrease of $1.2 million in our B2C revenues, which was attributable to active customer decline in Latin America.

In Europe, our B2C revenues increased $4.5 million as a result of active customer growth. This growth was offset by declines in the B2B RMiG business in Europe that resulted in a $1.8 million decrease in revenue.

The decrease in revenue in the United States as compared to the prior period was the result of a decrease in our contractual revenue rates related to the expiration of an exclusivity period with a B2B customer.

Cost of Revenue

Cost of revenue was $38.7 million for the year ended December 31, 2023, a decrease of $2.9 million from the comparable period in 2022. The decrease was primarily attributable to recognition of service expense of $1.5 million related to our content licensing arrangements that was accounted for as a service contract in the prior year. Additionally, the Company recognized a decrease in cost of development services and other revenue as a result of lower volume of hardware sales and a related decline in cost of revenue in the current period than in the prior year comparable period.

Sales and Marketing

Sales and marketing expense was $29.0 million for the year ended December 31, 2023, an increase of $0.7 million from the comparable period in 2022. The increase was primarily driven by an increase in sales and marketing activities within our B2C operations in order to attract additional end-users in Latin America.

Product and Technology

Product and technology expense was $38.2 million for the year ended December 31, 2023, an increase of $3.0 million from the comparable period in 2022. The increase was primarily attributable to a reduction in development activities that qualify for capitalization within our B2B segment.

General and Administrative

General and administrative expense was $36.7 million for the year ended December 31, 2023, a decrease of $1.2 million from the comparable period in 2022. This decrease was primarily driven by cost saving initiatives during the current period, largely consisting of a reduction in headcount.

Impairment

We recorded an impairment charge of $166.0 million during the year ended December 31, 2022. There were no impairment charges recorded in the current year.

Depreciation and Amortization

Depreciation and amortization expense was $17.2 million for the year ended December 31, 2023, a decrease of $6.1 million from the comparable period in 2022. The decrease was attributable to lower depreciable and amortizable basis due to the impairment recorded on certain intangible assets in the year ended December 31, 2022, and a reduction in development activities that qualify for capitalization and amortization within our B2B segment.

Income Tax Expense

We recorded income tax of $0.1 million for the year ended December 31, 2023, reflecting an effective tax rate of (0.4)%, compared to income tax of $3.9 million for the year ended December 31, 2022, reflecting an effective tax rate of (2.0)%. Our country of domicile is Bermuda, which effectively has a 0% statutory tax rate as it does not impose taxes on profits, income, dividends, or capital gains. The difference between this 0% tax rate and the effective income tax rate for the years ended December 31, 2023 and 2022 was due primarily to a mix of earnings in foreign jurisdictions that are subject to current and deferred tax and loss carryforwards in certain jurisdictions that are not expected to be recognized.

Segment Operating Results

We report our operating results by segment in accordance with the "management approach." The management approach designates the internal reporting used by our Chief Operating Decision Maker ("CODM"), who is our Chief Executive Officer, for making decisions and assessing performance of our reportable segments.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth our segment results for the periods indicated:

	Year Ended December 31,		Percentage of Segment Revenue		Change	
(dollars in thousands)	2023	2022	2023	2022	Amount	Percent
B2B						
Revenue	$ 43,154	$ 54,045	100.0%	100.0%	$ (10,891)	(20.2)%
Cost of revenue [1]	8,424	11,248	19.5%	20.8%	(2,824)	(25.1)%
B2B segment contribution	$ 34,730	$ 42,797	80.5%	79.2%	$ (8,067)	(18.8)%
B2C						
Revenue	$ 86,265	$ 87,483	100.0%	100.0%	$ (1,218)	(1.4)%
Cost of revenue [1]	30,276	30,386	35.1%	34.7%	(110)	(0.4)%
B2C segment contribution	$ 55,989	$ 57,097	64.9%	65.3%	$ (1,108)	(1.9)%

[1] Excludes depreciation and amortization expense

B2B Segment

B2B revenue decreased $10.8 million primarily due to a decrease in platform and content license fees revenue of $12.1 million, resulting from a decrease in our contractual revenue rates relating to the expiration of an exclusivity period with a B2B customer. This decrease was offset by an increase in B2B development services and other revenue of $1.2 million, driven by fees earned by a B2B partner that launched in April 2022.

B2B cost of revenue decreased $2.9 million primarily attributable to recognition of service expense related to our content licensing arrangements that was accounted for as a service contract in the prior year of $1.5 million, as well as decreased royalties resulting from declines in our SIM revenue.

B2C Segment

B2C revenue decreased $1.2 million primarily due to a decline in the number of active customers in our Latin American markets during the current period.

B2C cost of revenue was relatively consistent with the prior comparable period.

Non-GAAP Financial Measures

Adjusted EBITDA

Management uses the non-GAAP measure of Adjusted EBITDA to measure its financial performance. Specifically, it uses Adjusted EBITDA (i) as a measure to compare our operating performance from period to period, as it removes the effect of items not directly resulting from our core operations, and (ii) as a means of assessing our core business performance against others in the industry, because it eliminates some of the effects that are generated by differences in capital structure, depreciation, tax effects and unusual and infrequent events.

We define Adjusted EBITDA as net loss before interest expense (income), net, income tax expense (benefit), depreciation and amortization, impairments, share-based compensation expense and related expense, restructuring costs, and other items which our Board of Directors considers to be infrequent or unusual in nature. The presentation of Adjusted EBITDA is not intended to be used in isolation or as a substitute for any measure prepared in accordance with U.S. GAAP and Adjusted EBITDA may exclude financial information that some investors may consider important in evaluating our performance. Because Adjusted EBITDA is not a U.S. GAAP measure, the way we define Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in the industry.

Below is a reconciliation of Adjusted EBITDA to net loss, the most comparable U.S. GAAP measure, as presented in the consolidated statements of operations for the years specified:

	Year Ended December 31,	
	2023	2022
(in thousands)		
Net loss	(34,444)	(197,498)
Income tax expense	138	3,942
Interest expense	5,003	4,279
Gain on amendment of Content Licensing Agreement	(9,718)	—
Loss on debt extinguishment	8,784	—
Contingent liability and related revaluation [(1)]	(830)	(3,000)
Depreciation and amortization	17,161	23,276
Share-based compensation and related expense [(2)]	5,511	7,262
Impairment [(3)]	—	166,010
Restructuring	—	1,771
Adjusted EBITDA	$ (8,395)	$ 6,042

[(1)] Includes $0.8 million of revaluation on contingent liability related to the Company's synthetic equity arrangement with a customer for the year ended December 31, 2023. Includes a $3.0 million release of the contingent liability that was initially recognized upon execution of the amendment to an agreement with a content provider for the year ended December 31, 2022. See Note 3 – Acquisition in the accompanying consolidation financial statements for further details.

[(2)] Includes $5.4 million and $7.6 million in equity-classified expense for the years ended December 31, 2023 and 2022, respectively, $0.3 million and $0.1 million in liability-classified expense, for the years ended December 31, 2023 and 2022, respectively. Such amounts excluded capitalized amounts. Refer to Note 9 – Share-based Compensation in the accompanying consolidated financial statements for further details.

[(3)] Includes impairment to (i) goodwill of $136.9 million, (ii) intangible assets of $19.1 million, and (iii) capitalized software development costs of $10.0 million for the year ended December 31, 2022. Refer to Note 5 – Capitalized Software Development Costs, net and Note 6 – Goodwill and Intangible Assets in the accompanying consolidated financial statements for further details.

Key Performance Indicators

Our management uses the following key performance indicators ("KPIs") as indicators of trends and results of the business. These KPIs give our management an indication of the level of engagement between the player and the Company's platforms. No estimation is necessary in quantifying these KPIs, nor do they represent U.S. GAAP based measurements. These KPIs are subject to various risks such as customer concentration, competition, licensing and regulation, and macroeconomic conditions. Refer to "Item 1A. Risk Factors" for further risks associated with our business which would affect these KPIs.

	Year Ended December 31,		Change	
	2023	2022	Amount	Percent
B2B Gross Operator Revenue (in millions)	$ 1,657.8	$ 1,224.4	$ 433.4	35.4%
B2B Take Rate	2.6%	4.4%	(1.8)%	(41.0)%
B2C Active Customers (in thousands)	500	559	(59)	(10.5)%
B2C Marketing Spend Ratio	23.6%	21.0%	2.6%	12.2%
B2C Sports Margin	7.0%	6.9%	0.1%	1.6%

B2B Gross Operator Revenue

We define B2B Gross Operator Revenue as the sum of our B2B corporate customers' gross revenue from SIM, gross gaming revenue from RMiG, and gross sports wins from sportsbook offerings. B2B Gross Operator Revenue, which is not comparable to financial information presented in conformity with U.S. GAAP, gives management and users of our financial statements an indication of the extent of transactions processed through our B2B corporate customers' platforms and allows management to understand the extent of activity that our platform is processing.

The increase in Gross Operator Revenue for the year ended December 31, 2023, as compared to the year ended December 31, 2022, was driven primarily by our customers' organic growth in Pennsylvania, Michigan, New Jersey, and Connecticut. Additionally, Ontario supplemented the growth through the achievement of greater market share.

B2B Take Rate

We define B2B Take Rate as a quotient of B2B segment revenue retained by the Company over the total Gross Operator Revenue generated by our B2B corporate customers. B2B Take Rate gives management and users of our financial statements an indication of the impact of the statutory terms and the efficiency of the commercial terms on the business.

The decrease in B2B Take Rate for the year ended December 31, 2023, as compared to the year ended December 31, 2022, was primarily driven by a decrease in our contractual revenue rates related to the expiration of an exclusivity period with a B2B customer.

B2C Active Customers

We define B2C Active Customers as a user that places a wager during the period. This metric allows management to monitor the customer segmentation, growth drivers, and ultimately creates opportunities to identify and add value to the user experience. This metric allows management and users of the financial statements to measure the platform traffic and track related trends.

The year ended December 31, 2022 had a significant surge in business activity across all markets, largely due to the World Cup 2022. While the increased activity resulted in an all-time high in active customer count for 2022, the year ended December 31, 2023, did not have any significant sports events resulting in a decline in active customer count in the current year.

B2C Marketing Spend Ratio

We define B2C Marketing Spend Ratio as the total B2C direct marketing expense for the period divided by the total B2C revenues. This metric allows management to measure the success of marketing costs during a given period. Additionally, this metric allows management to compare across jurisdictions and other subsets, as an additional indication of return on marketing investment.

The increase in B2C Marketing Spend Ratio for the year ended December 31, 2023, as compared to the year ended December 31, 2022, was primarily driven by increased marketing spend in Latin America. In Latin America, we invested in developing greater brand awareness through several marketing initiatives and sponsorships and the Ontario, Canada, market required higher acquisition spend due to increased competition in a newly regulated jurisdiction.

B2C Sports Margin

We define B2C Sports Margin as the ratio of wagers minus winnings to total amount wagered, adjusted for open wagers at period end. Sports betting involves a user placing a bet on the outcome of a sporting event with the chance to win a pre-determined amount, often referred to as fixed odds. Our B2C sportsbook revenue is generated by setting odds that are intended to provide a built-in theoretical margin in each sports bet offered to our users. This metric allows management to measure sportsbook performance against its expected outcome.

The modest increase in B2C Sports Margin for the year ended December 31, 2023, as compared to the year ended December 31, 2022, was primarily driven by favorable outcomes. While the sports margin can fluctuate quarter to quarter on game outcomes and the mix shift of wagers overtime sports margin should be relatively in-line with the longer-term average margin.

Liquidity and Capital Resources

Sources of Liquidity

As of December 31, 2023, we had an accumulated deficit of $309.3 million. During the year ended December 31, 2023, we incurred a net loss of $34.4 million. We used $3.6 million of cash in operations during the year ended December 31, 2023. Cash on hand totaled $38.6 million as of December 31, 2023 and liabilities to users totaled $10.2 million as of December 31, 2023.

Since our inception, we have primarily funded our operations through cash generated from operations, cash generated from financing activities including our U.S. initial public offering and term credit facility, and cash on hand. In May 2020, we completed our U.S. initial public offering under which we sold an aggregate of 7,337,000 ordinary shares for net proceeds of $57.4 million and in December 2020, we conducted a follow-on offering under which we sold 6,790,956 ordinary shares for net proceeds of $98.5 million. In January 2021, we completed the acquisition of Coolbet for a purchase price of $218.1 million, including the issuance of 5,260,516 ordinary shares, replacement equity-based awards valued at $0.3 million and cash of $111.1 million, which was funded from the follow-on offering proceeds and available cash on hand. During the year ended December 31, 2022, we repurchased $1.0 million of our own shares as we believed our share price was undervalued and did not reflect the long-term opportunities ahead of us.

In April 2022, we entered into a $30.0 million term credit facility with net proceeds of $27.6 million (the "Credit Facility"). The Credit Facility contained affirmative and negative covenants, including certain financial covenants associated with our financial results. The financial covenants test periods began on March 31, 2023. We were in compliance with all financial covenants as of December 31, 2022, however given our cash flow and net losses for the year ended December 31, 2022, historical performance, and reasonably estimable near-term future cash flows, it is possible that we could violate a financial covenant in the future which could trigger an acceleration of all amounts due and the termination of commitments under the Credit Facility.

In the fourth quarter of 2022, we initiated plans to address our liquidity needs and improve our operations and cash position primarily by (i) reducing and deferring personnel and operational costs for non-strategic initiatives, (ii) amending the Credit Facility to reduce cash interest obligations and amend financial covenants, (iii) identifying sources of additional capital, (iv) continuing investment in the growth areas of our consolidated operations, (v) continuing our cost saving initiatives first implemented during the year ended December 31, 2022, and (vi) initiating a strategic review process to assess a range of strategic alternatives.

On April 13, 2023, a subsidiary of the Company executed agreements to amend its existing credit facility to waive all events of default, amend certain financial covenants, assign the rights to the credit facility from its existing lender to a third party, and increase the principal balance from $30.0 million to $42.0 million with accrued paid in-kind ("PIK") interest of 8.0% per year (together, forming the "Amended Credit Facility"). The Amended Credit Facility became effective upon cash settlement of payments completed on April 14, 2023 and represented a cure of any events of default under the Credit Facility and thereby prevented any amounts from becoming due and payable under the Credit Facility's subjective acceleration clause. The Amended Credit Facility contains a financial covenant, among other covenants, requiring minimum liquidity of $10.0 million. Refer to Note 7 – Debt for further detail. Management believes the executed Amended Credit Facility and intent and ability to complete the remaining cost mitigation plans alleviate uncertainty regarding the Company's ability to meet its current obligations as they come due.

We believe cash generated from operations and cash on hand will be sufficient to meet our working capital and capital expenditure requirements for at least one year. We are actively evaluating internal costs to conserve cash and executing cost containment plans will be critical to our ability to continue funding our operations for at least one year.

To the extent that our current resources, including our ability to generate operating cash flows, are insufficient to satisfy our cash requirements, we may seek additional equity or debt financing. Our ability to do so depends on prevailing economic conditions and other factors, many of which are beyond our control. We do not currently have any such credit facilities or similar debt arrangements in place, outside of the Amended Credit Facility as described above, and cannot provide any assurance as to the availability or terms of any additional future financing that we may require to support our operations. 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 products and technologies, discontinue further expansion of our business, or scale back our existing operations, any of which could have an adverse impact on our business and financial prospects.

Material Cash Commitments

Our primary uses of cash include funding our ongoing working capital needs, content licensing discussed below, and developing and maintaining our proprietary software platforms. Such capital allocations are contemplated while considering other opportunities we may have to deploy our capital.

During the year ended December 31, 2021, we entered into a Content Licensing Agreement with a third-party gambling content provider (the "Content Provider") specializing in development and licensing interactive games, (as amended in April 2022 and March 2023 the "Content Licensing Agreement"). The Content Licensing Agreement grants us exclusive right to use and distribute the online gaming content in North America. The Content Provider was previously required to develop a minimum number of games for our exclusive use over the five-year term, subject to extensions. In exchange, we were required to pay fixed fees, over the initial five-year term, and additional payments if annual and cumulative thresholds were not met. In March 2023 the Company amended and restated the Content Licensing Agreement with the Content Provider which resulted in a reduced contract term and a reduction in the fixed fees payable under the arrangement. As of December 31, 2023, the remaining fixed fees payable under the arrangement was $2.2 million, recorded other current liabilities within the consolidated balance sheets.

The execution of our growth strategy will require continued significant capital expenditures, and we expect to continue investing in our products and technologies as we seek to scale our business. Specifically, the key elements of our growth strategy include, but are not limited to, our continued rollout of GAN Sports with existing and new customers in regulated U.S. states, expansion of our international B2C operations, and the launch of regulated gaming in new U.S. states.

We utilized cash in investing activities of $6.8 million and $19.1 million for the years ended December 31, 2023 and 2022, respectively. Expenditures related to internally developed capitalized software represented $3.3 million and $10.1 million, respectively, purchases of gaming licenses represented $0.4 million and $1.1 million, respectively, and property and equipment (including licenses for internal use software) represented $3.1 million and $1.9 million, respectively. In the prior year, we paid $6.0 million to the Content Provider in accordance with the Content Licensing Agreement.

Cash Flow Analysis

A summary of our operating, investing and financing activities is shown in the following table:

	Year Ended December 31,		Change	
(dollars in thousands)	2023	2022	Amount	Percent
Net cash used in operating activities	$ (3,565)	$ (1,249)	(2,316)	n.m.
Net cash used in investing activities	(6,815)	(19,103)	12,288	(64.3)%
Net cash provided by financing activities	1,347	27,448	(26,101)	(95.1)%
Effect of foreign exchange rates on cash	1,691	(653)	2,344	n.m.
Net increase (decrease) in cash	$ (7,342)	$ 6,443	$ (13,785)	n.m.

n.m. = not meaningful

Operating Activities

Net cash used in operating activities increased by $2.3 million primarily resulting from an increase in net loss after adjustments to reconcile net loss to cash flows from operations of $(10.2) million, offset by a favorable fluctuation in working capital of $7.9 million. Net loss after adjustments to reconcile net loss to cash flows from operations increased due to a reduction of costs eligible for capitalization related to the B2B segment, and a decrease in our contractual revenue rates relating to the expiration of an exclusivity period with a B2B customer.

Investing Activities

Net cash used in investing activities decreased by $12.3 million primarily as a result a reduction of costs eligible for capitalization related to the B2B segment of $6.7 million. Additionally, there were $6.0 million in cash payments to third-party gambling content providers for the rights to use and distribute their online gaming content in North America made in the prior year that did not recur, and a decrease of $0.7 million in cash payments for gaming licenses. These decreases were offset by an increase in purchases of property, plant and equipment resulting from our investment in a new B2C headquarters in Europe.

Financing Activities

Net cash provided by financing activities decreased by $26.1 million primarily due to $27.6 million net cash proceeds associated with the Credit Facility, net of issuance costs received in the prior year, compared to the $1.6 million net cash proceeds associated with the amendment of the Credit Facility received in the current year.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

As a smaller reporting company as defined by Item 10 of Regulation S-K, the Company is not required to provide the information required by this Item.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
GAN Limited
Irvine, California

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of GAN Limited (a Bermuda corporation) and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity (deficit), and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2021.

Los Angeles, California
March 13, 2024

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

GAN LIMITED
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31,	
	2023	**2022**
ASSETS		
Current assets		
Cash	$ 38,578	$ 45,920
Accounts receivable, net of allowance for doubtful accounts of $244 and $250 at December 31, 2023 and December 31, 2022, respectively	11,417	13,808
Prepaid expenses	3,344	4,861
Other current assets	3,202	3,041
Total current assets	56,541	67,630
Capitalized software development costs, net	8,370	6,749
Intangible assets, net	12,358	24,955
Operating lease right-of-use assets, net	4,340	234
Other assets	5,895	3,512
Total assets	$ 87,504	$ 103,080
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	$ 6,971	$ 6,437
Accrued compensation and benefits	7,849	8,750
Accrued content license fees	4,024	2,214
Liabilities to users	10,185	10,683
Current operating lease liabilities	804	195
Other current liabilities	6,891	4,253
Total current liabilities	36,724	32,532
Deferred income taxes	3,793	4,218
Long-term debt	42,189	28,157
Content licensing liabilities	—	15,280
Non-current operating lease liabilities	3,577	—
Other liabilities	5,825	2,125
Total liabilities	92,108	82,312
Commitments and contingencies (Note 17)		
Shareholders' equity (deficit)		
Ordinary shares, $0.01 par value, 100,000,000 shares authorized, 45,071,578 and 42,894,211 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	451	429
Additional paid-in capital	336,552	328,998
Accumulated deficit	(309,305)	(274,861)
Accumulated other comprehensive loss	(32,302)	(33,798)
Total shareholders' equity (deficit)	(4,604)	20,768
Total liabilities and shareholders' equity (deficit)	$ 87,504	$ 103,080

The accompanying notes are an integral part of these consolidated financial statements.

GAN LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2023	**2022**
Revenue	$ 129,419	$ 141,528
Operating costs and expenses		
Cost of revenue [1]	38,700	41,634
Sales and marketing	28,972	28,303
Product and technology	38,243	35,195
General and administrative [1]	36,657	37,848
Impairment	—	166,010
Restructuring	—	1,771
Depreciation and amortization	17,161	23,276
Total operating costs and expenses	159,733	334,037
Operating loss	(30,314)	(192,509)
Other loss, net	3,992	1,047
Loss before income taxes	(34,306)	(193,556)
Income tax expense	138	3,942
Net loss	$ (34,444)	$ (197,498)
Loss per share, basic and diluted	$ (0.78)	$ (4.66)
Weighted average ordinary shares outstanding, basic and diluted	44,180,600	42,359,523

(1)Excludes depreciation and amortization expense

The accompanying notes are an integral part of these consolidated financial statements.

GAN LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,	
	2023	**2022**
Net loss	$ (34,444)	$ (197,498)
Other comprehensive loss, net of tax		
Foreign currency translation adjustments	1,496	(14,222)
Comprehensive loss	$ (32,948)	$ (211,720)

The accompanying notes are an integral part of these consolidated financial statements.

GAN LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands, except share amounts)

	Ordinary Shares		Additional Paid-in Capital	Treasury Shares	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity (Deficit)
	Shares	Amount					
Balance at January 1, 2022	42,250,743	$ 422	$ 319,551	$ —	$ (76,360)	$ (19,576)	$ 224,037
Net loss	—	—	—	—	(197,498)	—	(197,498)
Foreign currency translation adjustments	—	—	—	—	—	(14,222)	(14,222)
Share-based compensation	—	—	7,611	—	—	—	7,611
Accrued liability settled through issuance of shares	—	—	913	—	—	—	913
Restricted share activity	471,489	5	134	—	—	—	139
Repurchase of restricted shares to pay tax liability	(140,141)	(1)	(268)	—	—	—	(269)
Repurchases of ordinary shares	(303,113)	—	—	(1,006)	—	—	(1,006)
Ordinary share retirement	—	(3)	—	1,006	(1,003)	—	—
Issuance of ordinary shares upon exercise of share options	375,416	4	718	—	—	—	722
Issuance of ordinary shares upon ESPP purchases	239,817	2	339	—	—	—	341
Balance at December 31, 2022	42,894,211	$ 429	$ 328,998	$ —	$ (274,861)	$ (33,798)	$ 20,768
Net loss	—	—	—	—	(34,444)	—	(34,444)
Foreign currency translation adjustments	—	—	—	—	—	1,496	1,496
Share-based compensation	—	—	5,246	—	—	—	5,246
Restricted share activity	829,895	8	306	—	—	—	314
Repurchase of restricted shares to pay tax liability (Note 9)	(142,004)	(1)	(212)	—	—	—	(213)
Issuance of ordinary shares upon exercise of share options	181,516	1	201	—	—	—	202
Issuance of ordinary shares upon ESPP purchases	57,960	1	63	—	—	—	64
Issuance of ordinary shares in connection with Content Provider Agreement	1,250,000	13	1,950	—	—	—	1,963
Balance at December 31, 2023	45,071,578	$ 451	$ 336,552	$ —	$ (309,305)	$ (32,302)	$ (4,604)

The accompanying notes are an integral part of these consolidated financial statements.

GAN LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2023	**2022**
Cash Flows From Operating Activities		
Net loss	$ (34,444)	$ (197,498)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of software and intangible assets	15,513	21,747
Depreciation on property and equipment and finance lease right-of-use assets	1,648	1,529
Non-cash interest and amortization of debt discount and debt issuance costs	3,978	582
Share-based compensation expense	5,397	7,070
Gain on extinguishment of content liability	(9,717)	—
Loss on extinguishment of debt	8,784	—
Change in fair value of synthetic equity	(830)	—
Impairment	—	166,010
Change in contingent consideration	—	(3,000)
Deferred income tax	(568)	3,250
Other	(100)	147
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	2,619	(5,934)
Prepaid expenses	1,593	(1,320)
Other current assets	741	41
Other assets	(473)	3,114
Accounts payable	382	1,383
Accrued compensation and benefits	(1,140)	(1,708)
Accrued content license fees	(464)	—
Liabilities to users	(861)	2,199
Other current liabilities	2,612	(939)
Other liabilities	1,765	2,078
Net cash used in operating activities	(3,565)	(1,249)
Cash Flows From Investing Activities		
Expenditures for capitalized software development costs	(3,309)	(10,058)
Payments for content licensing arrangements	—	(6,000)
Purchases of gaming licenses	(411)	(1,115)
Purchases of property and equipment	(3,095)	(1,930)
Net cash used in investing activities	(6,815)	(19,103)
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt	42,000	30,000
Paydown of debt principle	(30,000)	—
Payment of premiums on debt extinguishment	(7,267)	—
Payment of debt issuance costs	(3,137)	(2,425)
Proceeds from exercise of share options	202	722
Proceeds from issuance of ordinary shares upon ESPP purchase	66	341
Repurchases of ordinary shares	—	(1,006)
Repurchase of restricted shares to pay tax liability	(517)	(184)
Net cash provided by financing activities	1,347	27,448
Effect of foreign exchange rates on cash	1,691	(653)
Net increase (decrease) in cash	(7,342)	6,443
Cash, beginning of period	45,920	39,477
Cash, end of period	$ 38,578	$ 45,920
Supplemental Cash Flow Information		
Cash paid (proceeds) for:		
Interest	$ 1,068	$ 2,444
Income taxes	(268)	728
Intangible assets acquired in business acquisition included in current and long-term liabilities	—	24,876
Accrued liability settled through issuance of shares	—	913
Right-of-use asset obtained in exchange for new operating lease liabilities	4,718	—
Contract asset and contingent liability related to synthetic equity	1,143	—

The accompanying notes are an integral part of these consolidated financial statements.

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NOTE 1 – NATURE OF OPERATIONS

GAN Limited (the "Parent," and with its subsidiaries, collectively the "Company") is an exempted company limited by shares, incorporated and registered in Bermuda.

The Company is a business-to-business ("B2B") supplier of a proprietary gaming system, GameSTACK™ ("GameSTACK"), which is used predominately by the U.S. land-based casino industry. For its B2B customers, GameSTACK is a turnkey technology solution for regulated real money internet gambling ("real money iGaming" or "RMiG"), online sports gaming, and virtual simulated gaming ("SIM"). In addition, the Company's B2B segment offers GAN Sports, an in-house online and retail sports betting technology platform, through internet connected self-service kiosks deployed at casino properties and mobile solutions. The Company is also a business-to-consumer ("B2C") developer and operator of an online sports betting and casino platform under its "Coolbet" brand, providing international users with access through www.coolbet.com to its sportsbook, casino games and poker products. The Company operates its B2C segment in markets across Northern Europe, Latin America, and Canada.

On November 7, 2023, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with SEGA SAMMY CREATION INC., a Japanese corporation ("SEGA SAMMY CREATION"), and Arc Bermuda Limited, a Bermuda exempted company limited by shares and a wholly-owned subsidiary of SEGA SAMMY CREATION ("Merger Sub"), pursuant to which, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into the Company, with the Company surviving the merger as a wholly-owned subsidiary of SEGA SAMMY CREATION (the "Merger"). SEGA SAMMY CREATION and Merger Sub are affiliates of SEGA SAMMY HOLDINGS, INC.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions thereof, at the effective time of the Merger, and as a result of the Merger (and without any action on the part of SEGA SAMMY CREATION, Merger Sub, the Company or any holder thereof):

- each of the Company's ordinary shares issued immediately prior to the effective time of the Merger (other than shares held by SEGA SAMMY CREATION or Merger Sub, by the Company as a treasury share or by any person who properly asserts dissenters' rights under Bermuda law) will be converted into the right to receive an amount in cash equal to $1.97 per share, without interest and subject to any applicable tax withholding (the "Merger Consideration");

- each of the Company's outstanding restricted shares (whether vested or unvested) at the time of the Merger will become vested in full and non-forfeitable and will be converted into the right to receive the Merger Consideration;

- each of the Company's outstanding restricted share units (whether vested or unvested) at the effective time of the Merger will become vested in full and will be automatically cancelled in exchange for the right to receive a single lump sum cash payment, without interest and subject to any applicable tax withholding, equal to the product of (a) the Merger Consideration and (b) the number of Company ordinary shares subject to such restricted share unit; and

- each of the Company's outstanding options to acquire the Company ordinary shares (whether vested or unvested) at the effective time of the Merger will become vested in full and will be automatically cancelled in exchange for the right to receive a single lump sum cash payment, without interest and subject to any applicable tax withholding, equal to the product of (a) the excess, if any, of the Merger Consideration over the exercise price per share of the option and (b) the number of Company ordinary shares issuable upon the exercise in full of such option.

Consummation of the Merger is not subject to a financing condition, but is subject to customary closing conditions, including (a) approval by the Company's shareholders of the Merger Agreement, the Merger and the Statutory Merger Agreement, (b) receipt of applicable antitrust and CFIUS approvals or the expiration of applicable waiting periods, (c) absence of any order or injunction prohibiting the consummation of the Merger and (d) the accuracy of the Company's representations and warranties contained in the Merger Agreement (subject to certain customary qualifications) and compliance by the Company with its agreements and covenants contained in the Merger Agreement. The closing of the Merger is also predicated upon receipt of approval of the Merger and change in control of the Company by all relevant gaming authorities. The Company anticipates that this will take some time, and that the closing of the Merger may not occur until late 2024 or early 2025.

On February 13, 2024, the Company held a special general meeting of the shareholders of the Company to consider and vote upon the Merger Agreement, at which the shareholders approved the Merger Agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the results of the Parent and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

During the second quarter of 2023, the Company completed a reorganization which resulted in the Company reclassifying its operating expenses between the sales and marketing, product and technology, and general and administrative.

The following table provides the impact of operating expense reclassification for the year ended December 31, 2022.

	For the Year Ended

	December 31, 2022		
	As previously reported	Impact of operating expense reclassification	As currently reported
Operating expenses			
Sales and marketing	$ 28,095	$ 208	$ 28,303
Product and technology	26,345	8,850	35,195
General and administrative [1]	46,906	(9,058)	37,848
Total operating expenses	$ 101,346	$ —	$ 101,346

[1] Excludes depreciation and amortization expense.

Liquidity

The accompanying consolidated financial statements have been prepared on the going concern basis. As of December 31, 2023, the Company had an accumulated deficit of $309.3 million, with cash of $38.6 million and liabilities to users of $10.2 million. During the year ended December 31, 2023, the Company incurred a net loss of $34.4 million. The Company used $3.6 million of cash in operations during the year ended December 31, 2023. In April 2022, a subsidiary of the Company entered into a $30.0 million term credit facility with net proceeds of $27.6 million (the "Credit Facility").

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Additionally, the Company's current financial condition, liquidity resources and planned near-term cash flows from operations are sensitive to changes in macro-economic conditions and the substantial variability inherent in the Company's wager-based revenues streams. These factors along with the potential covenant breaches indicate uncertainty related to the ability of the Company to meet its current obligations as they come due.

In the fourth quarter of 2022, the Company initiated plans to address its liquidity needs and improve its operations and cash position by (i) reducing and deferring personnel and operational costs for non-strategic initiatives, (ii) amending the Credit Facility to reduce cash interest obligations and amend financial covenants, (iii) identifying sources of additional capital, (iv) continuing investment in the growth areas of the Company's consolidated operations, (v) continuing cost saving initiatives first implemented during the year ended December 31, 2022, and (vi) initiating a strategic review process to assess a range of strategic alternatives.

On April 13, 2023, a subsidiary of the Company executed agreements to amend the Credit Facility to waive events of default, amend certain financial covenants, assign the rights to the Credit Facility from its existing lender to a third party, and increase the principal balance from $30.0 million to $42.0 million with accrued paid in-kind ("PIK") interest of 8.0% per year (together, forming the "Amended Credit Facility"). The Amended Credit Facility became effective upon cash settlement of payments completed on April 14, 2023, and represented a cure of any events of default under the Credit Facility and thereby prevented any amounts from becoming due and payable under the Credit Facility's subjective acceleration clause. The Amended Credit Facility contains a financial covenant, among other covenants, requiring minimum liquidity of $10.0 million. Management believes the executed Amended Credit Facility and intent and ability to complete the remaining cost mitigation plans alleviate uncertainty regarding the ability to meet its current obligations as they come due for at least one year from the issuance of the consolidated financial statements. The Company was in compliance with all financial covenants associated with its Credit Facility as of December 31, 2023, however given the Company's cash flow and net losses for the year ended December 31, 2023, historical performance, and reasonably estimable near-term future cash flows, it is possible that the Company could violate a financial covenant in the future which could trigger an acceleration of all amounts due and the termination of commitments under the Credit Facility. We expect to maintain compliance for at least one year from the issuance of the consolidated financial statements.

To the extent that the Company's current resources, including its ability to generate operating cash flows, are insufficient to satisfy its cash requirements, the Company may seek additional equity or debt financing. The Company's ability to do so depends on prevailing economic conditions and other factors, many of which are beyond management's control. The Company does not currently have any such credit facilities or similar debt arrangements in place, outside of the Amended Credit Facility as described above, and cannot provide any assurance as to the availability or terms of any additional future financing that it may require to support its operations. If the needed financing is not available, or if the terms of financing are less desirable than expected, the Company may be forced to decrease its level of investment in new products and technologies, discontinue further expansion of the business, or scale back its existing operations, any of which could have an adverse impact on the Company and its financial prospects.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Due to the inherent uncertainties involved in making estimates, actual results could differ from the original estimates, and may require significant adjustments to these reported balances in future periods.

Foreign Currency Translation and Transactions

The Company's reporting currency is the U.S. Dollar while the Company's foreign subsidiaries use their local currencies as their functional currencies. The assets and liabilities of foreign subsidiaries are translated to U.S. Dollars based on the current exchange rate prevailing at each reporting period. Revenue and expenses are translated into U.S. Dollars using the average exchange rates prevailing for each period presented. Translation adjustments that arise from translating a foreign subsidiary's financial statements from their functional currency to U.S. Dollars are reported as a separate component of accumulated other comprehensive loss in shareholders' equity (deficit).

Gains and losses arising from transactions denominated in a currency other than the functional currency are included in general and administrative expense in the consolidated statements of operations as incurred. Foreign currency transaction and remeasurement gains and losses were a net loss of $2,104 and $969 for the years ended December 31, 2023 and 2022, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of its cash and trade receivables. The Company holds cash deposits in foreign countries, primarily in Northern Europe and Latin America, of approximately $30.7 million, which are subject to local banking laws and may bear higher or lower risk than cash deposited in the United States. Cash held in the United States is maintained in a major financial institution in excess of federally insured limits. As part of our cash management processes, the Company performs periodic evaluations of the credit standing of the financial institutions and we have not sustained any credit losses from instruments held at these financial institutions. Additionally, the Company maintains an allowance for potential credit losses, but historically has not experienced any significant losses related to individual customers or groups of customers in any particular geographic area.

Risks and Uncertainties

Macroeconomic conditions can materially adversely affect the Company's business, results of operations and financial condition. Recent adverse macroeconomic conditions, including inflation, higher interest rates, slower growth or recession, the strengthening of the U.S. dollar, and corresponding

currency fluctuations can have an adverse material impact on the Company's future results of operations, cash flows, and financial condition, particularly with respect to foreign currency adjustments relating to our international operations. Such conditions may also affect consumers' willingness to make discretionary purchases, and therefore the Company, along with its casino operator customers, may experience a decline in wagering. A downturn in the economic environment can also lead to increased credit and collectability risk on the Company's trade receivables, limitations on the Company's ability to issue new debt, and reduced liquidity.

Revenue Recognition

Revenue from B2B Operations

The Company's revenue from its B2B operations are primarily from its internet gaming Software-as-a-Service ("SaaS") platform, GameSTACK, that its customers use to provide real money internet gambling ("RMiG"), online sports gaming and simulated internet gaming ("SIM") to its end users. The Company enters into contracts with its customers that generally range from three to five years and include renewal provisions. These contracts generally include provision of the internet gaming platform, content consisting of proprietary and third-party games, development services and support and marketing services. In certain cases, the contract may include computer hardware to be procured on behalf of the customer. The customers cannot take possession of the hosted GameSTACK software and the Company does not sell or license the GameSTACK software.

The Company charges fees as consideration for use of its internet gaming system, game content, support and marketing services based on a fixed percentage of the casino operator's net gaming revenue or net sportsbook win, at the time of settlement of an event for RMiG contracts, considered usage-based fees, or at the time of purchase for in-game virtual credit for SIM contracts. The determination of the fee charged to its customers is negotiated and varies significantly. Certain of these RMiG contracts provide the Company with a minimum monthly revenue guarantee in relation to the Company's share of the casino operator's net gaming revenue or net sportsbook win. At December 31, 2023, the remaining unsatisfied performance obligations related to fixed minimum guaranteed revenue totaled $48.6 million which the Company expects to satisfy $34.7 million within the next five-year period, and the remaining over a ten-year period.

The Company's promise to provide the RMiG SaaS platform and content licensing services on the hosted software is a single performance obligation. This performance obligation is recognized over time, as the Company provides services to its customers in its delivery of services to the player end user. The Company's customers simultaneously receive and consume the benefits provided by the Company as it delivers services to its customers. Usage based fees are considered variable consideration as the service is to provide unlimited continuous access to its hosted application and usage of the hosted system is primarily controlled by the player end user. The transaction price includes fixed and variable consideration and is billed monthly with the amount due generally thirty days from the date of the invoice. Variable consideration is allocated entirely to the period in which consideration is earned as the variable amounts relate specifically to the customer's usage of the platform that day and allocating the usage-based fees to each day is consistent with the allocation objective, primarily that the change in amounts reflect the changing value to the customer. The Company's internet gaming system, game content, support and marketing services are provided equally throughout the term of the contract. These services are made up of a daily requirement to provide access and use of the internet gaming system and optional support and marketing services to the customer over the same period of time. The series of distinct services represents a single performance obligation that is satisfied over time.

Purchases of virtual credits within a transaction period on the SIM platform, generally a monthly convention, are earned over time, and are typically billed monthly upon the close of the respective period as the credit has no monetary value, cannot be redeemed, exchanged, transferred or withdrawn, represents solely a device for tracking game play during the month, does not obligate the Company to provide future services and the arrangements with the customer and player end user have no substantive termination penalty. In certain service agreements with its SIM customers, the fees collected by the Company from third-party payment processors for the purchases of in-game virtual credits made by end-users include the SIM customer's portion. The Company records the SIM customer's portion as a liability as cash is collected and remits payment to the SIM customer for their share of the SIM revenues monthly. At December 31, 2023 and 2022, the Company recorded a liability due to its customers for their share of the fees of $1,994 and $1,628, respectively, within other current liabilities in the consolidated balance sheets.

The Company uses third-party content providers in supplying game content in its performance of providing game content on its platform to its customers. A customer has access to the Company's propriety and licensed game content and additionally, the customer can direct the Company to procure third-party game content on its behalf. The Company has determined it acts as the principal for providing the game content when the Company controls the game content, and therefore presents the revenue on a gross basis in the consolidated statements of operations. When the customer directs the Company to procure third-party game content, the Company determined it is deemed an agent for providing such game content, and therefore, records the revenue, net of the costs of content license fees, in the consolidated statements of operations.

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The Company also provides ongoing development services involving updates to the RMiG platforms for enhanced functionality or customization. Ongoing development services are typically billed monthly, at a daily rate, for services performed. Revenue from RMiG platform development services that are identified as distinct performance obligations and enhance or create an asset the customer controls as the Company performs the services are recognized over time as services are performed. This revenue is measured using an input method based on effort expended, which uses direct labor hours incurred. These services have primarily related to post-launch development of third-party application integration software in the customer's environment. Separately, the revenue generated from customers for development services that are distinct performance obligations and the customer benefits from the integrated SaaS offering are deferred over the license service term. These services have primarily related to enhancements to the Company's platforms that do not enhance or create an asset the customer controls. In customer contracts that require a portion of the consideration to be received in advance, or at the commencement of the contract, such amounts are recorded as a contract liability.

Other services include the resale of a third-party computer hardware, such as servers and other related hardware devices, upon which the GameSTACK software is installed for its customers. These products are not required to be purchased in order to access the GameSTACK platform but are sold as a convenience to the customer. The Company procures the computer hardware on the customer's behalf for a fee determined based on cost of the computer hardware plus a markup. The Company charges a hardware deployment fee which is a one-time fee for installation, testing and certification of the computer hardware at the gaming hosting facility. Revenue is recognized at the point in time when control of the hardware transfers to the customer. Control is transferred after the hardware has been procured, delivered, installed at the customer's premises and configured to allow for remote access.

The Company has determined that it is acting as the principal in providing computer hardware and related services as it assumes responsibility for procuring, delivering, installing and configuring the hardware at the customer's location and takes control of the hardware, prior to transfer. Revenue is presented at the gross amount of consideration to which it is entitled from the customer in exchange for the computer hardware and related services.

Contracts with Multiple Performance Obligations

For customer contracts that have more than one performance obligation, the transaction price is allocated to the performance obligations in an amount that depicts the relative stand-alone selling prices of each performance obligation. Judgment is required in determining the stand-alone selling price for each performance obligation. In determining the allocation of the transaction price, an entity is required to maximize the use of observable inputs. When the stand-alone selling price of a good or service is not directly observable, an entity is required to estimate the stand-alone selling price. Contracts with its customers may include platform and licensing of game content services, as well as development services and computer hardware services. The variable consideration generated from the platform and the licensing of game content is allocated entirely to the performance obligations for platform and licensing of game content services and the remaining fixed fees for development services and computer hardware would be allocated to each of the remaining performance obligation based on their relative stand-alone selling prices. The variable consideration relates entirely to the effort to satisfy the platform and licensing game content services and the fixed consideration relates to the remaining performance obligations which is consistent with the allocation objective.

Revenue from B2C Gaming Operations

The Company operates the B2C gaming site www.coolbet.com outside of the U.S., which contains proprietary software and includes the following product offerings: sportsbook, poker, casino, live casino and virtual sports.

The Company manages an online sportsbook allowing users to place various types of wagers on the outcome of sporting events conducted around the world. The Company operates as the bookmaker and offers fixed odds wagering on such events. When a user's wager wins, the Company pays the user a pre-determined amount known as fixed odds. Revenue from online sportsbook is reported net after deduction of player winnings and bonuses. Revenue from wagers is recognized when the outcome of the event is known.

The Company offers live casino through its digital online casino offering in select markets, allowing users to place a wager and play games virtually at retail casinos. The Company offers users a catalog of over 6,000 third-party iGaming products such as digital slot machines and table games such as blackjack and roulette. Revenue from casino games is reported net after deduction of winnings, jackpot contribution and customer bonuses.

Peer-to-peer poker offerings allow users to play poker against one another on the Company's online poker platform for prize money. Revenue is recognized as a percentage of the reported rake. Additionally, the Company offers tournament poker which allows users to buy-in for a fixed price for prize money. For tournament play, revenue is recognized for the difference between the entry fees collected and the amounts paid out to users as prizes and winnings.

In each of the online gaming products, a single performance obligation exists at the time a wager is made to operate the games and award prizes or payouts to users based on a particular outcome. Revenue is recognized at the conclusion of each contest, wager, or wagering game hand. Additionally, certain incentives given to users, for example, that allow the user to make an additional wager at a reduced price, may provide the user with a material right which gives rise to a separate performance obligation.

The Company allocates a portion of the user's wager to incentives that create material rights that are redeemed or expired in the future. The allocated revenue for gaming wagers is primarily recognized when the wagers occur because all such wagers settle immediately.

The Company applies a practical expedient by accounting for revenue from gaming on a portfolio basis because such wagers have similar characteristics, and the Company reasonably expects the effects on the financial statements of applying the revenue recognition guidance to the portfolio to not differ materially from that which would result if applying the guidance to an individual wagering contract.

Cost of Revenue

Cost of revenue consists primarily of variable costs. These include mainly (i) content license fees, (ii) payment processing fees and chargebacks, (iii) platform technology, software, and connectivity costs directly associated with revenue generating activities, (iv) gaming duties, and (v) sportsbook feed / provider services. The Company incurs payment processing fees on B2C user deposits, withdrawals, and deposit reversals from payment processors. Cost of revenue excludes depreciation of the servers on which the Company's gaming platforms reside as well as amortization of intangible assets including internally developed software.

Sales and Marketing

Sales and marketing expense primarily consists of general marketing and advertising costs, B2C user acquisition expenses and personnel costs within our sales and marketing functions. Sales and marketing costs are expensed as incurred.

Product and Technology

Product and technology expenses consist primarily of personnel costs associated with development and maintenance activities that are not capitalized. These costs primarily represent employee expenses (including but not limited to, salaries, bonus, employee benefits, employer tax expenses, and stock-based compensation) for personnel and contractors involved in the design, development, and project management of our proprietary technologies as well as developed and licensed content.

General and Administrative

General and administrative expenses consist of costs, including gaming operations costs, not related to sales and marketing, product and technology or revenue. General and administrative costs include professional services (including legal, regulatory and compliance, audit, and consulting expenses), rent, contingencies, insurance, allowance for credit losses, foreign currency transaction gains and losses, and costs related to the compensation of executive and non-executive personnel, including stock-based compensation.

Content Licensing Fees

Content licensing fees are paid to third parties for gaming content which are expensed as incurred. Content licensing fees are calculated as a percentage of net gaming revenues in respect of the third-party games, as stipulated in the third-party agreements.

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Share-based Compensation

Share-based compensation expense is recognized for share options and restricted shares issued to employees and non-employee members of the Company's Board of Directors. The Company's issued share options and restricted shares, which are primarily considered equity awards and include only service conditions, are valued based on the fair value of these awards on the date of grant. The fair value of the share options is estimated using a Black-Scholes option pricing model and the fair value of the restricted shares (restricted share awards and restricted share units) is based on the market price of the Company's shares on the date of grant.

Certain restricted share units awards issued to non-employee members of the Company's Board of Directors permit shares upon vesting to be withheld, as a means of meeting the non-employee director's tax withholding requirements, and paid in cash to the non-employee director. The Company additionally incurs share-based compensation expense under compensation arrangements with certain of its employees under which the Company will settle bonuses for a fixed dollar amount by issuing a variable number of shares based on the Company's stock price on the settlement date. These awards are classified as liability-based awards which are measured based on the fair value of the award at the end of each reporting period until settled. Related compensation expense is recognized based on changes to the fair value over the applicable service period.

Share-based compensation is recorded over the requisite service period, generally defined as the vesting period. For awards with graded vesting and only service conditions, compensation cost is recorded on a straight-line basis over the requisite service period of the entire award. Forfeitures are recorded in the period in which they occur.

Loss Per Share, Basic and Diluted

Basic loss per share is calculated by dividing the net loss by the weighted average number of ordinary shares outstanding during the year. In periods of loss, basic and diluted per share information are the same.

Cash

Cash is comprised of cash held at the bank and third-party service providers. The Company is required to maintain compensating cash balances to satisfy its liabilities to users. Such balances are included within cash in the consolidated balance sheets and are not subject to creditor claims. At December 31, 2023 and 2022, the related liabilities to users were $10,185 and $10,683, respectively.

Accounts Receivable, net

Accounts receivable are stated at invoiced amounts and are unsecured, non-interest bearing and generally have 30-day payment terms.

The Company maintains an allowance for doubtful accounts that reduces receivables to amounts expected to be collected. Management estimates the allowance for doubtful accounts by assessing the probability of non-payment of the receivable. On confirmation that the account receivable will not be collected, the gross carrying value of the asset is written off against the related allowance for doubtful accounts. Due to the nature of our customer population, the provision for credit losses has primarily been based on specific identification and has not been significant historically. The provision for credit losses on accounts receivable is recorded in general and administrative expense in the accompanying consolidated statements of operations.

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The activity in the allowance for doubtful accounts was as follows:

	Year Ended December 31,	
	2023	2022
Beginning balance	$ 250	$ 120
Provision for expected credit losses	(6)	(34)
Write-offs, net of recoveries	—	164
Ending balance	$ 244	$ 250

Capitalized Software Development Costs, net

The Company capitalizes certain development costs related to its internet gaming platforms during the application development stage. Costs associated with preliminary project activities, training, maintenance and all other post implementation stage activities are expensed as incurred. Software development costs are capitalized when application development begins, it is probable that the project will be completed, and the software will be used as intended. The Company capitalizes certain costs related to specific upgrades and enhancements when it is probable that expenditures will result in additional functionality of the platform to its customers. The capitalization policy provides for the capitalization of certain payroll and payroll related costs for employees who spent time directly associated with development and enhancements of the platform.

Capitalized software development costs are amortized on a straight-line basis over their estimated useful lives, which generally ranges from three to five years, and are included within depreciation and amortization expense in the accompanying consolidated statements of operations.

Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the estimated fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company has recorded goodwill primarily from its acquisition of Coolbet in January 2021. Goodwill is not amortized, but rather is reviewed for impairment annually (as of October 1st) or more frequently if facts or circumstances indicate that it is more-likely-than-not the fair value of a reporting unit may be below its carrying amount.

The Company has determined that it has two reporting units: B2C and B2B. In its goodwill impairment testing in each segment, the Company has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of the reporting unit, including goodwill, is less than its carrying amount prior to performing the quantitative impairment test. The qualitative assessment evaluates various events and circumstances, such as macro-economic conditions, industry and market conditions, cost factors, relevant events and financial trends that may impact a reporting unit's fair value. If it is determined that the estimated fair value of the reporting unit is more-likely-than not less than its carrying amount, including goodwill, the quantitative goodwill impairment test is required. Otherwise, no further analysis would be required.

If the quantitative impairment test for goodwill is deemed necessary, this quantitative impairment analysis compares the fair value of the Company's reporting unit to its related carrying value. If the fair value of the reporting unit is less than its carrying amount, goodwill is written down to the fair value and an impairment loss is recognized. If the fair value of the reporting unit exceeds its carrying amount, no further analysis is required. Fair value of the reporting unit is determined using valuation techniques, primarily using discounted cash flow analysis.

ASC Topic 350 requires that goodwill be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company performed a qualitative and quantitative impairment test as of June 30, 2022 which resulted in an impairment to goodwill of $28.9 million. The Company performed an additional qualitative assessment as of September 30, 2022 to determine whether events or circumstances such as those described in ASC 350-20-35-3C existed and concluded that, due to the significant and sustained decline in share price and market capitalization of the Company since the Coolbet acquisition, such triggers existed during the current interim period; therefore, an interim quantitative impairment test was performed. The Company did not recognize an additional impairment to goodwill as a result of its interim impairment test as of September 30, 2022, nor as a result of its annual impairment test as of October 1, 2022.

In December 2022, the Company revised its long-term plan as a result of material reductions in its expected future cash flows from its B2B segment, a strategic decision not to pursue and invest further in its original content strategy, and a re-assessment of its growth strategy related to its B2C segment. As a result, the Company identified negative market indicators and trends related to the value of its reporting units. These events and circumstances indicated impairment may be probable and an additional quantitative goodwill impairment assessment as of December 31, 2022 was performed.

The Company estimated the fair value of all reporting units utilizing both a market approach and an income approach (discounted cash flow) and the significant assumptions used to measure fair value include discount rate, terminal value factors, revenue and EBITDA multiples, and control premiums.

The income approach used to test the Company's reporting units includes the projection of estimated operating results and cash flows, discounted using a weighted-average cost of capital ("WACC") that reflects current market conditions appropriate to each reporting unit. Those projections involve the Company's best estimates of economic and market conditions over the projected period, including growth rates in revenues and costs and best estimates of future expected changes in operating margins and cash expenditures. Other significant assumptions and estimates used in the income approach include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. In addition, the WACC utilized to discount estimated future cash flows is sensitive to changes in interest rates and other market rates in place at the time the assessment is performed.

The market approach used to test the Company's reporting units included the review of revenue and EBITDA multiples from other publicly traded companies in the industry used to derive their enterprise values and the application of those multiples to the relevant earnings streams within each reportable segment of the Company.

The Company confirmed the reasonableness of the estimated reporting unit fair values under the income and market approaches by reconciling those fair values to its enterprise value and market capitalization. Data points from other market participants were additionally used which indicated that the lower end of valuation ranges related to our B2C segment may be indicated until regulatory uncertainties were clarified.

As a result of its impairment test performed as of December 31, 2022, the Company recognized an impairment to goodwill of $108.0 million. During the year ended December 31, 2022, the Company recognized total impairment to goodwill of $136.9 million. No such impairment was recognized during the year ended December 31, 2023, as the balance was fully impaired in the prior year.

Long-lived Assets

Long-lived assets, except goodwill, consist of property and equipment, and finite lived acquired intangible assets, such as developed software, gaming licenses, trademarks, trade names and customer relationships. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The Company considers the period of expected cash flows and underlying data used to measure the fair value of the intangible assets when selecting the estimated useful lives.

Gaming licenses include license applications fees and market access payments in connection with agreements that the Company enters into with strategic partners. The market access arrangements authorize the Company to offer online gaming and online sports betting in certain regulated markets. These costs are capitalized and amortized on a straight-line basis over their estimated useful lives, beginning with the commencement of operations.

The fair value of the acquired intangible assets is primarily determined using the income approach. In performing these valuations, the Company's key underlying assumptions used in the discounted cash flows were projected revenue, gross margin expectations and operating cost estimates. There are inherent uncertainties and management judgment is required in these valuations.

Long-lived assets, except goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company compares the undiscounted cash flows expected to be generated by that asset or asset group to their carrying amount. If the carrying amount of the long-lived asset or asset group are not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent that the carrying amount exceeds fair value. Fair value is determined through various techniques, such as discounted cash flow models using probability weighted estimated future cash flows and the use of valuation specialists.

In December 2022, the Company revised long-range plan as a result of material reductions in its expected future cash flows from its B2B segment, a strategic decision not to pursue and invest further in its original content strategy, and a re-assessment of its growth strategy related to its B2C segment. In connection with these initiatives, the Company began planning to sunset certain of its legacy GameSTACK technology (the "Legacy Technology") following the launch of GAN Sports and the rollout of newer GameSTACK technology developed after its acquisition of Coolbet. These events and circumstances indicated that the carrying amount of the Company's long-lived assets may not be recoverable and the Company tested these assets for impairment. During the year ended December 31, 2022 the Company recognized an impairment to its intangible assets and capitalized software development costs of $19.1 million and $10.0 million, respectively. There were no such triggering events during the year ended December 31, 2023. Refer to Note 5 – Capitalized Software Development Costs, net and Note 6 – Goodwill and Intangible Assets for further detail.

Liabilities to Users

The Company records liabilities for user account balances. User account balances consist of user deposits, promotional awards and user winnings less user withdrawals and user losses.

Legal Contingencies and Litigation Accruals

On a quarterly basis, the Company assesses potential losses in relation to pending or threatened legal matters. If a loss is considered probable and the amount can be reasonably estimated, the Company recognizes an expense for the estimated loss. Estimates of any such loss are subjective in nature and require the evaluation of numerous facts and assumptions as to future events, including the application of legal precedent which may be conflicting. To the extent these estimates are more or less than the actual liability resulting from the resolution of these matters, the Company's financial results will increase or decrease accordingly. Legal costs associated with loss contingencies are expensed as incurred.

Debt

Debt issuance costs incurred in connection with the issuance of new debt are recorded as a reduction to the long-term debt balance on the consolidated balance sheets, and amortized over the term of the loan commitment as interest expense in the accompanying consolidated statements of operations. The Company calculates amortization expense on capitalized debt issuance costs using the effective interest method in accordance with Accounting Standards Codification ("ASC") 470, Debt.

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Fair Value of Financial Instruments

The Company applies the provisions of ASC 820, Fair Value Measurements and Disclosures, which provides a single authoritative definition of fair value, sets out a framework for measuring fair value and expands on required disclosures about fair value measurement. Fair value represents the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company uses the following hierarchy in measuring the fair value of the Company's assets and liabilities, focusing on the most observable inputs when available:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active for identical or similar assets and liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Valuations are based on the inputs that are unobservable and significant to the overall fair value measurement of the assets or liabilities. Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Valuation techniques used to measure the fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company does not hold any significant Level 2 financial instruments. Level 3 financial instruments held by the Company include synthetic equity liability due to a customer. See Note 17 – Commitments and Contingencies for further detail. The instrument includes Level 3 inputs related to the contractual forecasts, in addition to observable inputs such as the stock volatility of the company, which are utilized in the Company's Monte Carlo valuation. The valuation is not sensitive to significant movements in the forecast.

Income Taxes

The Company is subject to income taxes in the United States, U.K., Bulgaria, Israel, Canada, and Malta. The Company records an income tax expense for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as for loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The effect on deferred income tax of a change in tax rates are recorded in the period of the enactment. Deferred tax assets are reduced, through a valuation allowance, if necessary, by the amount of such benefits that are not expected to be realized based on current available evidence. In evaluating the Company's ability to recover deferred tax assets in the jurisdiction from which they arise, all available positive and negative evidence is considered, including results of recent operations, scheduled reversals of deferred tax liabilities, projected future taxable income, and tax-planning strategies. The Company records a valuation allowance to reduce its deferred tax assets to the net amount that it believes is more likely than not to be realized.

The Company recognizes tax benefits from uncertain tax positions only if management believes that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although the Company believes that it has adequately provided for uncertain tax positions, no assurance can be given that the final tax outcome of these matters would not be materially different. Adjustments are made when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences would affect the provision for income taxes in the period in which such determination is made and could have a material impact on the Company's financial condition and operating results. The Company recognizes penalties and interest related to income tax matters in income tax expense.

Segments

The Company operates in two operating segments, B2B and B2C. Operating segments are defined as components of an enterprise where separate financial information is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess the Company's performance. The Company's CODM is the Chief Executive Officer. The CODM allocates resources and assesses performance based upon discrete financial information at the operating segment level.

Recently Issued Accounting Pronouncements

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. ASU 2021-08 requires an acquirer to measure and recognize contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, Revenue from Contracts with Customers, rather than using fair value on the acquisition date. This amendment is effective for fiscal years beginning after December 15, 2022, including interim periods within those annual periods, and should be applied prospectively to business combinations occurring on or after the effective date. Early adoption is permitted. The Company will apply the amended guidance on a prospective basis to business combinations that occur on or after January 1, 2023.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The

amendments in this update expand disclosures about a public entity's reportable segments and require more enhanced information about a reportable segment's significant expenses, interim segment profit or loss, and a description of how a public entity's chief operating decision marker uses reported segment profit or loss information in assessing segment performance and allocated resources. The amendments clarify that a single reportable segment entity must apply ASC 280 in its entirety. The update will be effective for the annual periods beginning after December 15, 2023, or interim periods within fiscal years beginning after December 15, 2024. This ASU is applicable to our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and subsequent interim periods, with early application permitted. We are currently assessing the effect of this update on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvement to Income Tax Disclosures*. The amendments in this update expand disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid information. The update will be effective for annual periods beginning after December 15, 2024 and is applicable to our Annual Report on Form 10-K for the fiscal year December 31, 2025, with early application permitted. We are currently assessing the effect of this update on our consolidated financial statements and disclosures.

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NOTE 3 – ACQUISITION

Content licensing agreement with Ainsworth Game Technology

In the second quarter of 2021, the Company entered into a Content Licensing Agreement (the "Agreement") with Ainsworth Game Technology, a third-party gaming content provider (the "Content Provider") specializing in developing and licensing interactive games. The Agreement grants the Company exclusive rights to use and distribute the online gaming content in North America, and the Content Provider is committed to developing a minimum number of games for the Company's exclusive use over a five-year term, subject to extensions.

On April 5, 2022, the Company amended and restated the Agreement. In accordance with the restated arrangement, the Company amended certain commercial terms, which included obtaining the contractual right to lease the remote gaming servers, taking possession of the related software, and obtaining a service contract from the Content Provider for the duration of the arrangement. The total fixed fees remaining under the amended arrangement totaled $25.0 million, of which $10.0 million was due during the year ended December 31, 2022 with $5.0 million due in each of the years 2023 through 2025. Fixed fee payments are presented in the accompanying consolidated statements of cash flows as payments for content licensing arrangements within cash flows from investing activities. Additional payments could be required if the Company's total revenue generated from the arrangement exceed certain stipulated annual and cumulative thresholds during the contract term.

The amended and restated Agreement is accounted for as a business combination as the assets acquired and the liabilities assumed under the arrangement constitute a business in accordance with ASC 805, Business Combinations. Consideration transferred is comprised of the present value of the Company's total expected fixed payments under the Agreement, the net assets recognized under the original agreement, as well as a contingent consideration. The total consideration transferred was $24.9 million.

In December 2022, the Company identified indicators of impairment associated with the identified intangible assets recorded as part of the business combination. The Company recognized an impairment of $19.1 million associated with the content licensing arrangement. As of December 31, 2023, the value of intangible assets associated with the business combination was $1.1 million, and amortization recognized for the year ended December 31, 2023 was $0.5 million.

On March 29, 2023, the Company amended and restated its Content Licensing agreement (the "Amended Agreement") with the Content Provider which resulted in a reduced contract term ending March 31, 2024 and a reduction in the fixed fees payable under the arrangement by $15.0 million. Under the Amended Agreement, the fixed fee payment schedule was adjusted such that the remaining $4.0 million payable is due in equal installments of $0.2 million per calendar month, with the first installment due April 2023. The remaining $1.5 million outstanding at the expiration of the Amended Agreement will be reconciled against amounts payable by the Content Provider to the Company for revenue generated from the Company's distribution of content. In consideration for the execution of the Amended Agreement, in March 2023 the Company entered into a Subscription Agreement with the Content Provider, under which the Content Provider subscribed to 1,250,000 of the Company's ordinary shares. As of December 31, 2023, the remaining liability was $2.2 million recorded in content licensing liabilities within the consolidated balance sheets.

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NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net is recorded in other assets in the consolidated balance sheets at December 31, 2023 and 2022 and consisted of the following:

	Estimated Useful Life (in years)	December 31, 2023	December 31, 2022
Fixtures, fittings and equipment	3 - 5	$ 5,052	$ 4,136
Platform hardware	5	2,251	2,313
Total property and equipment, cost		7,303	6,449
Less: accumulated depreciation		(3,144)	(3,599)
Total		$ 4,159	$ 2,850

Depreciation expense related to property and equipment was $1,648 and $1,427 for the years ended December 31, 2023 and 2022, respectively.

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NOTE 5 – CAPITALIZED SOFTWARE DEVELOPMENT COSTS, NET

Capitalized software development costs, net at December 31, 2023 and 2022 consisted of the following:

	December 31, 2023	December 31, 2022
Capitalized software development costs	$ 10,759	$ 6,857
Development in progress	494	732
Total capitalized software development, cost	11,253	7,589
Less: accumulated amortization	(2,883)	(840)
Total	$ 8,370	$ 6,749

In December 2022, the Company revised its long-range plan as a result of material reductions in its expected future cash flows from its B2B segment, a strategic decision not to pursue and invest further in its original content strategy, and a re-assessment of its growth strategy related to its B2C segment. In connection with these initiatives, the Company began planning to sunset certain of its legacy GameSTACK technology (the "Legacy Technology") following the launch of GAN Sports and the rollout of newer GameSTACK technology developed after its acquisition of Coolbet. These events and circumstances indicated that the carrying amount of the Company's capitalized development costs may not be recoverable and the Company tested these long-lived assets for impairment.

The Company compared the undiscounted cash flows expected from capitalized development cost asset groups over their remaining useful lives and determined the Legacy Technology was not recoverable. During the year ended December 31, 2022, the Company recognized an impairment to its capitalized software development costs of $10.0 million. This amount represented the full carrying amount of its Legacy Technology assets as the Company determined the fair value of these assets to be zero due to significant uncertainties surrounding the Company's ability to market and sell the Legacy Technology to external market participants. There was no such impairment to capitalized development costs during the year ended December 31, 2023.

At December 31, 2023, development in progress primarily represents costs associated with GAN Sports, costs associated with its newer GameSTACK technology, and enhancements to the Company's proprietary B2C software platform.

Amortization expense related to capitalized software development costs was $1,972 and $6,166 for the years ended December 31, 2023 and 2022, respectively.

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill, by segment, for the year ended December 31, 2022 were as follows:

	B2B	B2C	Total
Balance at January 1, 2022	$ 72,230	$ 73,912	$ 146,142
Impairment	(67,338)	(69,567)	(136,905)
Effect of foreign currency translation	(4,892)	(4,345)	(9,237)
Balance at December 31, 2022	$ —	$ —	$ —

The Company performs its annual goodwill impairment test as of October 1 and monitors for interim triggering events on an ongoing basis as events occur or circumstances change that would more likely than not reduce the fair value below its carrying amount. Goodwill is reviewed for impairment utilizing either a qualitative assessment or a quantitative goodwill impairment test. Due to the significant and sustained decline in share price and market capitalization of the Company since the Coolbet acquisition, interim quantitative goodwill impairment assessments were performed as of June 30, 2022 and September 30, 2022.

The Company estimated the fair value of all reporting units utilizing both a market approach and an income approach (discounted cash flow) and the significant assumptions used to measure fair value include discount rate, terminal value factors, revenue and EBITDA multiples, and control premiums. The Company confirmed the reasonableness of the estimated reporting unit fair values by reconciling those fair values to its enterprise value and market capitalization. As a result of its interim impairment test performed as of June 30, 2022, the Company recognized an impairment to goodwill of $28.9 million. The Company did not recognize an additional impairment to goodwill as a result of its interim impairment test as of September 30, 2022, nor as a result of its annual impairment test as of October 1, 2022.

In December 2022, the Company revised its long-term plan as a result of material reductions in its expected future cash flows from its B2B segment, a strategic decision not to pursue and invest further in its original content strategy, and a re-assessment of its growth strategy related to its B2C segment. As a result, the Company identified negative market indicators and trends related to the value of its reporting units which resulted in a downward revision to its 2023 budget and long-range plan. These events and circumstances indicated impairment may be probable and an additional quantitative goodwill impairment assessment as of December 31, 2022 was performed.

The Company estimated the fair value of all reporting units utilizing both a market approach and an income approach (discounted cash flow) and the significant assumptions used to measure fair value include discount rate, terminal value factors, revenue and EBITDA multiples, and control premiums. The

Company confirmed the reasonableness of the estimated reporting unit fair values by reconciling those fair values to its enterprise value and market capitalization. As a result of its additional impairment test performed as of December 31, 2022, the Company recognized an additional impairment to goodwill of $108.0 million.

During the year ended December 31, 2022, the Company recognized total impairment to goodwill of $136.9 million. As goodwill was written off in the prior year, no such impairment was recognized during the year ended December 31, 2023.

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Intangible Assets

Definite-lived intangible assets, net consisted of the following:

	Weighted Average Amortization Period (in years)	December 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	5.0	$ 34,669	$ (28,711)	$ 5,958
Customer relationships	3.3	6,977	(5,835)	1,142
Trade names and trademarks	10.0	5,549	(1,889)	3,660
Gaming licenses	5.4	3,617	(2,019)	1,598
		$ 50,812	$ (38,454)	$ 12,358

	Weighted Average Amortization Period (in years)	December 31, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	3.9	$ 33,443	$ (17,570)	$ 15,873
Customer relationships	3.1	6,788	(3,426)	3,362
Trade names and trademarks	10.0	5,347	(1,312)	4,035
Gaming licenses	6.7	3,149	(1,464)	1,685
		$ 48,727	$ (23,772)	$ 24,955

In March 2023, the Company amended and restated its Content Licensing Agreement with the Content Provider which resulted in a reduced contract term. Accordingly, the Company evaluated the ongoing value of the intangible assets associated with its content licensing arrangement. Based on this evaluation, the Company determined that the third-party content licenses with a carrying amount of $18.4 million were no longer recoverable and wrote them down in full. Additionally, the Company determined that the related customer relationships intangible assets with a carrying amount of $2.3 million were no longer recoverable and wrote them down to their estimated fair value of $1.6 million. All amounts were recorded within the results reported for the year ending December 31, 2022. Fair value was based on the expected future cash flows using Level 3 inputs under ASC 820 as well as expected contract term. The cash flows are those expected to be generated by the market participants, discounted at the risk-free rate of interest. Because negotiations have not yet concluded, it is reasonably possible that the estimate of the expected future cash flows may change in the near term resulting in the need to adjust the determination of fair value.

Amortization expense related to intangible assets was $13,543 and $15,581 for the years ended December 31, 2023 and 2022, respectively.

Estimated amortization expense for the next five years is as follows:

	Amount
2024	$ 3,036
2025	3,009
2026	2,553
2027	1,954
2028	1,806
Total	$ 12,358

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NOTE 7 – DEBT

On April 26, 2022, a subsidiary of the Company entered into the Credit Facility which provided for $30.0 million in aggregate principal amount of secured term loans with a floating interest rate of 3-month SOFR (subject to a 1% floor) + 9.5%. The Credit Facility had a maturity date of October 26, 2026 and was fully guaranteed by the Company. There were no scheduled principal payments due under the Credit Facility until maturity. Interest payments were payable in arrears on the last business day of each calendar quarter and at the maturity date.

The Company incurred $2.4 million in debt issuance costs during the year ended December 31, 2023 in connection with the Credit Facility, which have been recorded as a direct reduction against the debt and amortized over the life of the associated debt as a component of interest expense using the effective interest method. The net funds received from the Credit Facility, after deducting debt issuance costs, was $27.6 million.

Subsequent Amendments

On April 13, 2023, a subsidiary of the Company executed agreements to amend the Credit Facility to waive all events of default, amend certain financial covenants, assign the rights to the Credit Facility from its existing lender to a third party, and increase the principal balance from $30.0 million to $42.0 million with accrued paid in-kind ("PIK") interest of 8.0% per year (together, forming the "Amended Credit Facility"). The Amended Credit Facility became effective upon cash settlement of payments completed on April 14, 2023, and represented a cure of any events of default under the Credit Facility and thereby prevented any amounts from becoming due and payable under the Credit Facility's subjective acceleration clause.

The Amended Credit Facility matures on the third anniversary of its effective date and is fully guaranteed by the Company. There are no scheduled principal payments due under the Amended Credit Facility until maturity. The principal balance, accrued PIK interest, and an exit fee of 2.5% are due at maturity. The Amended Credit Facility stipulates that outstanding amounts will mature and be due and payable on the third anniversary of its effective date, or in the event of a change in control transaction. The Company incurred $7.3 million in prepayment premiums as part of the settlement of the Credit Facility, and an additional $3.1 million in debt issuance costs in connection with the Amended Credit Facility. The Amended Credit Facility contains customary negative covenants, a financial covenant requiring minimum liquidity of $10.0 million, as well as other financial covenants to be tested solely in the event the Company raises junior debt during the term of the Amended Credit Facility.

Debt Covenants

The Credit Facility contained affirmative and negative covenants, including certain financial covenants associated with the Company's financial results. The negative covenants included restrictions regarding the incurrence of liens and indebtedness, certain merger and acquisition transactions, asset sales and other dispositions, other investments, dividends, share purchases and payments affecting subsidiaries, changes in nature of business, fiscal year or organizational documents, transactions with affiliates, and other matters.

The Credit Facility contained customary events of default, including, among others: non-payments of principal and interest; breach of representations and warranties; covenant defaults; the existence of bankruptcy or insolvency proceedings; certain events under ERISA; gaming license revocations in material jurisdictions; material judgments; and a change of control. If an event of default occurred and was not cured within any applicable grace period or was not waived, the administrative agent and the lender were entitled to take various actions, including, without limitation, the acceleration of all amounts due and the termination of commitments under the Credit Facility.

The carrying values of the Company's long-term debt consist of the following:

	Effective Interest Rate	As of December 31, 2023
Credit Facility		
Principal	10.22%	$ 44,642
Less unamortized debt issuance costs		(2,453)
Long-term debt, net		$ 42,189

During the years ended December 31, 2023 and 2022, the Company incurred interest expense of $4,720 and $3,026, respectively, of which $1,010 and $582 relates to the amortization of debt issuance costs.

NOTE 8 – SHAREHOLDERS' EQUITY

Ordinary Shares

GAN Limited's authorized share capital consists of 100 million ordinary shares, par value $0.01 per share. Holders of ordinary shares are entitled to one vote per share on all matters submitted to a vote of holders of ordinary shares. In addition, the ordinary shares have no right to redemption, conversion or sinking fund rights. Each ordinary share is entitled to dividends if, as and when dividends are declared by the Board of Directors and subject to a resolution of members, subject to the rights of any other class of shares (if any) and to the provisions of the Bermuda Companies Act. In the event of liquidation, dissolution or winding up, the holders of ordinary shares are entitled to share equally and ratably in the assets, if any, remaining after the payment of debt and liabilities.

During the years ended December 31, 2023 and 2022, the Company issued an aggregate of 181,516 and 375,416 ordinary shares for the exercise of share options for gross proceeds of $202 and $722, respectively.

2021 Share Repurchase Program

On May 31, 2022, the Board of Directors re-authorized and extended the share repurchase program initially authorized on November 30, 2021, which permitted the Company to purchase up to $5.0 million of the Company's outstanding ordinary shares on the Nasdaq Stock Market. The Company was not obligated to acquire any particular number of shares and repurchases were able to be suspended or terminated at any time. In June 2022, the Company repurchased 303,113 shares for at a total cost of $1.0 million. Repurchases were executed through open market purchases at the prevailing market price at the time of purchase. The share repurchase program expired on November 3, 2022.

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NOTE 9 – SHARE-BASED COMPENSATION

In April 2020, the Board of Directors established the GAN Limited 2020 Equity Incentive Plan ("2020 Plan") which has been approved by the Company's shareholders. The 2020 Plan initially provides for grants of up to 4,400,000 ordinary shares, which then increases through 2029, by the lesser of 4% of the previous year's total outstanding ordinary shares on December 31st or as determined by the Board of Directors, for ordinary shares, incentive share options, nonqualified share options, share appreciation rights, restricted share grants, share units, and other equity awards for issuance to employees, consultants or non-employee directors. At December 31, 2023, the 2020 Plan provided for grants of up to 9,275,342 ordinary shares and there were 1,287,808 ordinary shares available for future issuance under the 2020 Plan.

Share Options

A summary of the share option activity as of and for the year ended December 31, 2023 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2022	3,447,155	$ 9.12	6.59	$ 1,139
Granted	612,081	0.01		
Exercised	(181,516)	1.12		
Forfeited/expired or cancelled	(1,197,530)	13.36		
Outstanding at December 31, 2023	2,680,190	$ 5.69	6.43	$ 1,877
Options exercisable at December 31, 2023	1,737,271	$ 7.21	5.18	$ 620

The Company recorded share-based compensation expense related to share options of $2,538 and $3,194 for the years ended December 31, 2023 and 2022, respectively. Such share-based compensation expense for the years ended December 31, 2023 and 2022 was recorded net of capitalized software development costs of $195 and $306, respectively. At December 31, 2023, there was total unrecognized compensation cost of $3,017 related to nonvested share options. The unrecognized compensation cost is expected to be recognized over a weighted-average period of 2.6 years.

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During the years ended December 31, 2023 and 2022, the Company received proceeds from the exercise of stock options of $202 and $722, respectively, and the aggregate intrinsic value of those stock options exercised was $620 and $485, respectively.

Share option awards generally vest 25% after one year and then monthly over the next 36 months thereafter and have a maximum term of ten years. During the year ended December 31, 2023, the Board of Directors approved the issuance of options to purchase 612,081 ordinary shares to employees under the 2020 Plan, including 612,081 share options granted with an exercise price of $0.01 per share to certain European-based employees in lieu of restricted share units. The value of these options are based on the market value of the Company's ordinary shares at the date of the grant. The weighted average grant date fair value of options granted was $1.76 and $3.89 for the years ended December 31, 2023 and 2022, respectively. The grant date fair value of each share option grant was determined using the following weighted average assumptions:

	Year Ended December 31,	
	2023	**2022**
Expected share price volatility	n.m.	55.03%
Expected term (in years)	n.m.	4.26
Risk-free interest rate	n.m.	1.36%
Dividend yield	0%	0%

For options granted during the year ended December 31, 2023, the fair value of each share option award is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions noted above. Estimating the grant date fair values for employee share options requires management to make assumptions regarding expected volatility of the value of those underlying shares, the risk-free rate of the expected life of the share options and the date on which share-based compensation is expected to be settled.

Expected volatility is determined by reference to volatility of certain identified peer group share trading information and share prices on the Nasdaq stock exchange. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected term of the options is based on historical data and represents the period of time that options granted are expected to be outstanding. In the current year, volatility, term, and risk-free interest rate were not meaningful inputs as all options were $0.01, and therefore the value of the options were equal to the underlying value of the shares for the Company's European based employees.

Restricted Share Units

Restricted share units are issued to non-employee directors and employees. For equity-classified restricted share units, the fair value of restricted share units is valued based on fair market value of the Company's ordinary shares on the date of grant and is amortized on a straight-line basis over the vesting period.

In March 2023, the Board of Directors approved the issuance of 1,009,086 restricted share units to its employees. The restricted share units vest over four years from the date of grant. The terms of the awards stipulate that vesting of any outstanding restricted share units will be pro-rated for employees if their employment terminates after the first anniversary of the grant date.

During the second quarter of 2023, the Board of Directors approved the issuance of 296,307 restricted share units to its non-employee directors and employees. The restricted share units vest over four years from the date of grant. The terms of the awards stipulate that vesting of any outstanding restricted share units will be pro-rated for employees if their employment terminates after the first anniversary of the grant date.

In August 2023, the Board of Directors approved the issuance of 705,556 restricted share units to its non-employee directors and employees. The restricted share units vest over four years from the date of grant. The terms of the awards stipulate that vesting of any outstanding restricted share units will be prorated for employees if their employment terminates after the first anniversary of the grant date.

In October 2023, the Board of Directors approved the issuance of 275,000 restricted share units to the Company's recently appointed Interim Chief Executive Officer. The restricted share units vest over four years from the date of grant. The terms of the awards stipulate that the equity awards shall accelerate and become fully vested, non-forfeitable, and exercisable in the event that the Interim Chief Executive Officer is terminated without cause or resigns for good reason.

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The Company withholds a portion of the restricted share units granted to its officers and non-employee directors upon vesting in order to remit a cash payment to the officers and directors equal to their tax expense. The liabilities are recorded in accrued compensation and benefits in the consolidated balance sheets. During the year ended December 31, 2023, 401,735 restricted stock units held by the Company's officers and non-employee directors vested and the Company repurchased 138,134 of the shares to cover the tax expense incurred by the officers and non-employee directors.

The Company recorded share-based compensation expense related to restricted share units of $2,678 and $3,553 for the years ended December 31, 2023 and 2022, respectively. At December 31, 2023, there was total unrecognized compensation cost of $4,801 related to nonvested restricted share units. The unrecognized compensation cost is expected to be recognized over a weighted-average period of 3.06 years.

A summary of the restricted share unit activity as of and for the year ended December 31, 2023 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2022	1,171,371	$ 5.43
Granted	2,285,949	1.55
Vested	(829,895)	3.16
Forfeited/expired or cancelled	(415,181)	4.23
Outstanding at December 31, 2023	2,212,244	$ 2.49

Restricted Share Awards

In December 2021, the Company issued 51,654 restricted ordinary shares to the selling shareholders of Silverback Gaming. The restricted share awards vest one-third on the acquisition date and one-third on each of the first and second anniversary dates. The restricted share awards were issued with a grant date fair value of $9.68 per share.

The Company recorded share-based compensation expense related to the restricted share awards of $152 and $167 for the years ended December 31, 2023 and 2022, respectively. At December 31, 2023, all compensation cost was recognized upon vesting of shares granted. The total fair value of the restricted share awards that vested during the year ended December 31, 2023 was $166.

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Employee Bonuses Issued in Shares

In 2021, the Company entered into agreements with certain executive employees which allowed for a portion, or all, of their annual bonus for the year ended December 31, 2021 to be paid in the form of the Company's shares. During the year ended December 31, 2022, the Company settled approximately $913 of the total bonus by issuing 189,959 vested options with an exercise price of $0.01 per share.

2020 Employee Stock Purchase Plan

The Board of Directors established the 2020 Employee Stock Purchase Plan, or the ESPP, which was approved by the Company's shareholders in July 2021. The ESPP is intended to qualify under Section 423 of the U.S. Internal Revenue Service Code of 1986, as amended. The ESPP provides initially for 300,000 ordinary shares to be sold and increases on February 1, 2022 and on each subsequent February 1 through and including February 1, 2030, equal to the lesser of (i) 0.25 percent of the number of ordinary shares issued and outstanding on the immediately preceding December 31, (ii) 100,000 ordinary shares, or (iii) such number of ordinary shares as determined by the Board of Directors.

The ESPP is designed to allow eligible employees to purchase ordinary shares, at quarterly intervals, with their accumulated payroll deductions. The participants are offered the option to purchase ordinary shares at a discount during a series of successive offering periods. The option purchase price may be the lower of 85% of the closing trading price per share of the Company's ordinary shares on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the purchase date, which will occur on the last trading day of each offering period. An offering period is defined as a three-month duration commencing on or about March, June, September and December of each year, and one purchase period is included within each offering period. The Company's first offering period commenced on June 1, 2022. The Company suspended its ESPP in February 2023. The Company issued 57,960 shares under the ESPP during the year ended December 31, 2023. During the year ended December 31, 2023, the Company recognized share-based compensation expense of $18 related to the ESPP.

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NOTE 10 – DEFINED BENEFIT CONTRIBUTION PLANS

U.S. employees and non-U.S. employees are eligible to participate in defined contribution plans by contributing a portion of their compensation, which provides for certain matching contributions by the Company. Matching contributions for the U.S. defined contribution plan are 50% of up to 4% of an employee's salary contribution. Most often, non-U.S. matching contributions are statutory amounts required by law. The Company's contributions to the retirement plans were $729 and $579 for the years ended December 31, 2023 and 2022, respectively.

NOTE 11 – LOSS PER SHARE

Loss per ordinary share, basic and diluted, are computed by dividing net loss by the weighted average number of ordinary shares outstanding during the period. Potentially dilutive securities consisting of certain share options, nonvested restricted shares and restricted share units were excluded from the computation of diluted weighted average ordinary shares outstanding as inclusion would be anti-dilutive, are summarized as follows:

	Year Ended December 31,	
	2023	2022
Share options	2,680,190	3,447,155
Restricted shares	—	17,218
Restricted share units	2,212,244	1,171,371
Total	4,892,434	4,635,744

NOTE 12 – REVENUE

The following table reflects revenue recognized for the years ended December 31, 2023 and 2022 in line with the timing of transfer of services:

	Year Ended December 31,	
	2023	2022
Revenue from services delivered at a point in time	$ 86,386	$ 88,331
Revenue from services delivered over time	43,033	53,197
Total	$ 129,419	$ 141,528

Contract Assets

The Company has a contract asset related to its synthetic equity arrangement with a customer that was executed on March 30, 2023. The balance of $1,133 is recorded within other assets on the consolidated balance sheets and is amortized as contra-revenue over the life of the customer contract of 10 years.

Contract and Contract-Related Liabilities

The Company has four types of liabilities related to contracts with customers: (i) cash consideration received in advance from customers related to development services not yet performed or hardware deliveries not yet completed, (ii) incentive program obligations, which represents the deferred allocation of revenue relating to incentives in the online gaming operations, (iii) user balances, which are funds deposited by customers before gaming play occurs and (iv) unpaid winnings and wagers contributed to jackpots. Contract related liabilities are expected to be recognized as revenue within one year of being purchased, earned or deposited. Such liabilities are recorded in liabilities to users and other current liabilities in the consolidated balance sheets.

In August 2023, WSI US, LLC ("WynnBet") notified the Company of its intent to modify its multi-state revenue contract with the Company and, in November 2023, the Company completed its negotiations with WynnBet (the "WynnBet modification"). The results of the renegotiation were primarily to amend performance obligations such that (i) certain states that did not launch at the modification date would be formally terminated, (ii) certain states that launched prior to the modification date would have the term reduced, and (iii) states such as Nevada, Massachusetts and New York would renegotiate under more favorable commercial terms. The total consideration allocated to these modifications was $5.0 million which was paid in November 2023. In addition, WynnBet, agreed to terms for the state of Michigan governed by a separate revenue arrangement that provided WynnBet with an optional performance obligation for either migration services or termination rights, at their choosing, of $5.0 million. Additional consideration was provided related to the Company's right of first refusal to obtain WynnBet's operation in the state of Michigan amounting to $1.8 million. As of December 31, 2023, WynnBet did not exercise any optional items related to Michigan.

The Company determined that the remaining performance obligations related to each state that either already launched or would launch under the modified agreement, and allocated the $5.0 million consideration based on the estimated value attributable to each remaining performance obligation to be recognized over the remaining term.

The following table reflects contract liabilities arising from cash consideration received in advance from customers for the periods presented:

	Year Ended December 31,

	2023	2022
Contract liabilities from advance customer payments, beginning of the period	$ 2,117	$ 1,874
Contract liabilities from advance customer payments, end of the period [1]	7,873	2,117
Revenue recognized from amounts included in contract liabilities from advance customer payments at the beginning of the period	932	841

(1) Contract liabilities from advance customer payments, end of period consisted of $3,490 and $913 recorded in other current liabilities in the consolidated balance sheets at December 31, 2023 and 2022, respectively and $4,383 and $1,204 recorded in other liabilities in the consolidated balance sheet at December 31, 2023 and 2022, respectively.

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NOTE 13 – SEGMENT REPORTING

The Company's reportable segments are B2B and B2C. The B2B segment develops, markets and sells instances of GameSTACK, GAN Sports, and iSight Back Office technology that incorporates comprehensive player registration, account funding and back-office accounting and management tools that enable the casino operators to efficiently, confidently and effectively extend their presence online in places that have permitted online real money gaming. The B2C segment, which includes the operations of Coolbet, develops and operates a B2C online sports betting and casino platform that is accessible through its website in markets across Northern Europe, Latin America and Canada.

Information reported to the Company's Chief Executive Officer, the CODM, for the purpose of resource allocation and assessment of the Company's segmental performance is primarily focused on the origination of the revenue streams. The CODM evaluates performance and allocates resources based on the segment's revenue and contribution. Segment contribution represents the amounts earned by each segment without allocation of each segment's share of depreciation and amortization expense, sales and marketing expense, product and technology expense, general and administrative expense, interest costs and income taxes.

Summarized financial information by reportable segments for the years ended December 31, 2023 and 2022 is as follows:

	Year Ended December 31,					
	2023			2022		
	B2B	B2C	Total	B2B	B2C	Total
Revenue	$ 43,154	$ 86,265	$ 129,419	$ 54,045	$ 87,483	$ 141,528
Cost of revenue [1]	8,424	30,276	38,700	11,248	30,386	41,634
Segment contribution	$ 34,730	$ 55,989	$ 90,719	$ 42,797	$ 57,097	$ 99,894

(1) Excludes depreciation and amortization expense

During the years ended December 31, 2023 and 2022, one customer in the B2B segment individually accounted for 16.4% and 20.9% of total revenue, respectively.

The following table presents a reconciliation of segment contribution to the consolidated loss before income taxes for the years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
Segment contribution [1]	$ 90,719	$ 99,894
Sales and marketing	28,972	28,303
Product and technology	38,243	35,195
General and administrative [1]	36,657	37,848
Impairment	—	166,010
Restructuring	—	1,771
Depreciation and amortization	17,161	23,276
Other loss, net	3,992	1,047
Loss before income taxes	$ (34,306)	$ (193,556)

(1) Excludes depreciation and amortization expense

Assets and liabilities are not separately analyzed or reported to the CODM and are not used to assist in decisions surrounding resource allocation and assessment of segment performance. As such, an analysis of segment assets and liabilities has not been included in this financial information.

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The following table disaggregates total revenue by product and services for each segment:

	Year Ended December 31,	
	2023	**2022**
B2B:		
Platform and content license fees	$ 31,466	$ 43,519
Development services and other	11,688	10,526
Total B2B revenue	43,154	54,045
B2C:		
Sportsbook	33,315	37,902
Casino	50,035	46,888
Poker	2,915	2,693
Total B2C revenue	86,265	87,483
Total revenue	$ 129,419	$ 141,528

Revenue by location of the customer for the years ended December 31, 2023 and 2022 was as follows:

	Year Ended December 31,	
	2023	**2022**
United States	$ 31,758	$ 45,615
Europe	47,788	45,092
Latin America	39,935	44,078
Rest of the world	9,938	6,743
	$ 129,419	$ 141,528

NOTE 14 – INCOME TAXES

GAN Limited was incorporated in Bermuda solely for the purpose of acting as the new group parent company and public vehicle for investors. Bermuda, the Company's country of domicile, imposes no taxes on profits, income, dividends, or capital gains.

The Company's loss before income taxes for the years ended December 31, 2023 and 2022 consisted of the following:

	Year Ended December 31,	
	2023	**2022**
Domestic	$ 5,897	$ 5,504
Foreign	28,409	188,052
Loss before income taxes	$ 34,306	$ 193,556

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The components of income tax expense (benefit) for the years ended December 31, 2023 and 2022 consisted of the following:

	Year Ended December 31,	
	2023	**2022**
Current:		
Domestic	$ —	$ —
U.S. Federal and State	66	48
Foreign	1,089	644
Total current expense	1,155	692
Deferred:		
Domestic	—	—
U.S. Federal and State	—	864
Foreign	(1,017)	2,386
Total deferred expense (benefit)	(1,017)	3,250
Total income tax expense	$ 138	$ 3,942

The following is a reconciliation of income taxes computed at the statutory income tax rate to the Company's income tax expense (benefit) for the years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	**2022**
Income (loss) before income taxes multiplied by the statutory tax rate of 0%	$ —	$ —
Effects of tax rates in foreign jurisdictions	(5,445)	(19,629)
Share-based compensation	1,154	802
Nondeductible officers compensation	—	660
Valuation allowance	3,430	10,200
Unrecognized tax benefit	193	674
Change in tax rates	300	—
Foreign withholding taxes	192	8
Goodwill impairment	—	148
Return to provision	(647)	6,805
Tax on unremitted earnings	(6)	325
Foreign Tax Credit	(84)	3,030
Other	1,051	919
Total income tax expense	$ 138	$ 3,942

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the net deferred taxes at December 31, 2023 and 2022 are as follows:

	December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	$ 20,199	$ 13,533
Share-based compensation	971	1,314
Fixed assets and intangibles	2,608	8,178
Accruals and allowances	276	299
Interest	4,487	998
Other	88	13
Total deferred tax assets	28,629	24,335
Valuation allowance	(28,244)	(24,094)
Total deferred tax assets, net of valuation allowance	385	241
Deferred tax liabilities:		
Fixed assets and intangibles	(479)	(1,157)
Prepayments	(57)	(37)
Tax on unremitted earnings	(3,431)	(3,061)
Other	(57)	(13)
Total deferred tax liabilities	(4,024)	(4,268)
Net deferred tax liabilities	$ (3,639)	$ (4,027)

The net deferred tax liability of $3,639 agrees to the balance sheet when considering the noncurrent deferred tax liability presented of $3,793 and the noncurrent deferred tax asset of $154 presented in other assets on the consolidated balance sheets.

At December 31, 2023 and 2022, the Company's valuation allowance was $28,244 and $24,094, respectively. A valuation allowance is recognized if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax asset will not be realized. Management must analyze all available positive and negative evidence regarding realization of the deferred tax assets, such as cumulative income and losses from prior years, and make an assessment of the likelihood of sufficient future taxable income. The Company has provided a valuation allowance on the U.S. and foreign deferred tax assets that were not deemed realizable based upon the weight of the objectively verifiable negative evidence of cumulative losses over the recent three-year period.

During 2023, we increased our valuation allowance by $4,150 to $28,244. Changes in 2023 in the valuation allowance primarily due to current U.S. and foreign losses generated, as well as nondeductible U.S. interest. The amount of the deferred tax assets considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence, such as the Company's forecast for growth.

At December 31, 2023, the Company had federal, state, and foreign cumulative net operating loss carryforwards generated of $24,720, $25,751 and $53,459, respectively, on a gross basis. The federal net operating loss carryforwards do not expire. The state net operating loss carryforwards will begin to expire in 2027 if not utilized. The majority of the foreign net operating loss carryforwards do not expire. At December 31, 2023, the Company had federal and state U.S. interest limitation carryforward of $17,131 and $13,384, respectively, on a gross basis. The federal and state U.S. interest limitation carryforwards do not expire.

As of December 31, 2023, the Company has determined it cannot indefinitely reinvest any of its unremitted foreign earnings and has accrued $3,431 of deferred foreign taxes. This amount mainly relates to its earnings in Estonia where taxation is postponed until the profits are distributed as dividends.

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A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,	
	2023	**2022**
Unrecognized tax benefits — January 1	$ 766	$ 197
Additions for tax positions taken in a prior year	395	470
Additions for tax positions taken in current year	197	142
Reductions for tax positions taken in the prior year due to statutes lapsing	(7)	(4)
Other reductions for tax positions taken in the prior year	(1)	(39)
Unrecognized tax benefits — December 31	$ 1,350	$ 766

The liability for unrecognized tax benefits, including potential interest and penalties, were recorded within other liabilities in the consolidated balance sheets. As of December 31, 2023 and 2022, we had accrued interest and penalty expense related to uncertain tax positions of $253 and $176, respectively, net of income tax benefits. The provision for income taxes for December 31, 2023 and 2022 included interest and penalty expense related to uncertain tax provisions of $76 and $124, respectively net of income tax benefits.

The Company, including its subsidiaries, files tax returns with U.S. and foreign jurisdictions. The Company is subject to U.K. examinations by tax authorities for the 2021 and 2022 tax years, although the Company has loss carryforwards from prior years that may still be adjusted. The Company is subject to U.S. examinations by federal tax authorities for years 2020 to 2022 and by state tax authorities for years 2019 to 2022. The tax returns in Malta, Israel, Bulgaria, and Mexico are still within the examination window of the local tax authorities. Based on the information currently available, we do not anticipate a significant increase or decrease to our unrecognized tax benefits within the next 12 months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although the Company believes that adequate provision has been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on the Company's earnings. If recognized, the total amount of unrecognized tax benefits would impact the effective tax rate for calendar years 2023 and 2022 by $894 and $766, respectively.

NOTE 15 – RESTRUCTURING

In January 2022, we implemented a strategic reduction of our existing worldwide global workforce to simplify and streamline our organization and strengthen the overall competitiveness of our B2B segment. As a result of this initiative, we incurred $1.8 million in restructuring charges related to this plan during the year ended December 31, 2022, which are primarily related to employee severance pay and related costs. The Company had completed its restructuring plan in 2022 and there were no unpaid restructuring charges as of December 31, 2022.

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NOTE 16 – LEASES

The company determines if an arrangement is a lease and classified as operating or finance lease commencement date. A lease is defined as a contract, or part of contract, that conveys the right to control the use of an asset for a time period in exchange for consideration. At December 31, 2023, the Company's lease portfolio consists of operating leases related to office facilities in Estonia and Bulgaria. The lease terms for both leases are five years. Options to extend or terminate a lease are included in the lease term when it is reasonably certain that the Company will exercise such options. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation, or to be reset periodically to market rental rates or the periodic rent is fixed over the lease term. Lease payments for operating leases, consisting of fixed payments for base rent, is recognized on a straight-line basis over the lease term. The Company elected to record short-term lease costs on a straight-line basis over the term of the leases related to its shared work space facilities primarily in the United States and London, and incurred $547 and $1,138 for the years ended December 31, 2023 and 2022, respectively.

		As of	
		December 31, 2023	**December 31, 2022**
Leases	Classification		
Assets			
Total operating leased assets, net	Operating lease right-of-use assets[(1)]	$ 4,340	$ 234
Liabilities			
Current	Operating lease liabilities	$ 804	$ 195
Non-current	Operating lease liabilities – non-current	3,577	—
Total lease liabilities		$ 4,381	$ 195

(1) Operating lease right-of-use assets are recorded, net of accumulated amortization of $378 and $1,033, at December 31, 2023 and December 31, 2022, respectively.

The Company uses its incremental borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known. The incremental borrowing rate is based on the Company's credit rating based on its market valuation metrics and corporate yield curves observed for public companies with similar credit ratings.

Operating lease costs were $805 and $489 for the years ended December 31, 2023 and 2022, respectively.

Maturities of lease liabilities, including reconciliation to the lease liabilities, based on required contractual payments, are as follows:

	Operating Leases
2024	$ 1,174
2025	1,174
2026	1,174
2027	1,174
2028	662
Total lease payments	5,358
Less: future interest costs	977
Present value of lease liabilities	$ 4,381

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Other information related to leases as of and for the years end December 31, 2023 and 2022 was as follows:

	Year Ended December 31,	
	2023	2022
Operating lease weighted-average remaining lease term (years)	4.5	0.8
Operating lease weighted-average discount rate	9.0%	4.8%
Cash paid for the amounts included in the measurement of operating lease liabilities	$ 726	$ 476

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company may be subject to legal actions and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation, which are considered other than routine legal proceedings. The Company believes the ultimate disposition or resolution of its routine legal proceedings will not have a material adverse effect on its financial position, results of operations or liquidity.

Content Licensing Agreements

In the second quarter of 2021, the Company entered into Content Licensing Agreements (the "Agreements") with two third-party gaming content providers ("Content Providers") specializing in developing and licensing interactive games. The Agreements grant the Company exclusive rights to use and distribute the online gaming content in North America. Each of the Content Providers was committed to developing a minimum number of games for the Company's exclusive use over the five-year term, subject to extensions, of the respective Agreement. In exchange, the Company was required to pay fixed fees, totaling $48.5 million, of which $8.5 million were due upon execution of the Agreements, and the remaining fixed fees were to be paid systematically over the initial five-year terms. Additional payments could be required if the Company's total revenue generated from the licensed content exceed certain stipulated annual and cumulative thresholds during the contract term. Under the terms of the Agreements, the Content Providers were required to remit the cash flows from the online gaming content with its existing customers to the Company during the exclusivity period.

On January 27, 2022, the Company served a termination notice, for cause, to a Content Provider as certain conditions precedent associated with the completion of contractual obligations had not been satisfied by the agreed upon period in 2021. In accordance with the agreement, termination for cause results in a return of the initial payment of $3.5 million. In response to the Company's termination notice, the Content Provider responded by alleging the Content Provider had met its contractual obligations, thereby obligating the Company to make the next, scheduled $3.0 million payment. In March, the Content Provider served the Company a notice of default letter notifying the Company of its alleged material breach of the agreement, and disputing the validity of the termination. On April 25, 2022, the Content Provider attempted to serve formal notice of termination of the agreement, reaffirming the $3.0 million obligation. The Company continues to assert that all contractual obligations to the Content Provider have been relieved as a result of the Company's initial termination notice and will vigorously defend any claims made by the Content Provider. The Company further recognized an impairment loss related to the initial payment of $3.5 million in the statement of operations for the years ended December 31, 2023.

On March 29, 2023, the Company amended and restated its Content Licensing Agreement with the other Content Provider which resulted in a reduced contract term ending March 31, 2024 and a reduction in the fixed fees payable under the arrangement. At December 31, 2023 the present value of the remaining fixed fee payments remaining under the agreement of $2.2 million is recorded in accrued content license fees in the consolidated balance sheet.

Chile Operations

Coolbet's B2C casino and sports-betting platform is accessible in Chile. Since June 1, 2020, foreign digital service suppliers that provide services to individuals in Chile have been required to register for value-added tax ("VAT") purposes. On September 20, 2021, the Company submitted an inquiry to the Chilean Internal Revenue Service ("SII") for clarification on the basis to apply VAT. In December 2021, the SII issued a general resolution as a response to another iGaming platform operator stating the Tax Administration's position that fees paid by users for entertainment services provided through online gaming and betting platforms are subject to VAT in Chile. The SII clarified its interpretation that the VAT tax rate of 19% shall be applied to "fees paid by the users", specifically gross customer deposits on the iGaming platform. This was further reiterated by the SII in June 2022 through a public response to an unnamed ruling request on the matter.

On May 13, 2022, the SII issued a resolution stating that unregistered foreign digital service providers will be subject to 19% withholding on payments through enforcement to issuers of credit cards, debit cards, and other forms of payment, effective August 1, 2022. The SII issued this noncompliant list of unregistered foreign digital service providers to enact enforcement of this withholding on a quarterly basis, with the most recent list issued on December 28, 2022. As of December 31, 2023, and through the date of filing, the Company has not registered for the Chilean VAT but has not been listed on the SII's list for which this withholding should be applied, and the Company has not received formal notification of any VAT liability due to the SII.

On March 14, 2023, the SII issued a resolution stating that, although the SII lacks the power to qualify an activity as legal or illegal (which had been noted in previous SII resolutions), the SII is not empowered to register taxpayers for the simplified VAT regime who carry out activities that have been declared illegal by other State authorities that do have the power to qualify an activity as legal or illegal. It then notes that the SII has been informed by the

Superintendency of Gambling Casinos that the offering of games of chance is only expressly authorized in certain instances under Chilean law, and thus taxpayers without domicile or residence in Chile that offer them are doing so illegally. As a result, the SII has excluded these taxpayers from the simplified VAT regime, effectively contradicting past guidance that stated the digital VAT law must be applied to online gaming and betting platforms.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

On September 12, 2023, the Supreme Court of Chile issued a ruling requiring one telecommunication company to block 23 iGaming websites. The ruling relates specifically to one local internet service provided ("ISP") and a state-owned land-based casino which holds the rights to offer online sports betting (the "Local Provider"). The order to block the websites only applied to the 23 specific URL addresses mentioned in the legal action. The Local Provider's legal action was based on a "protection recourse" filing, and assert that the Local Provider's constitutional right to maintain a legal monopoly over sports betting was infringed upon. The Supreme Court of Chile's ruling only affected the named parties of the case, and did not establish legal precedent. In response to the ruling, the Company modified the URL and resumed operations.

On December 12, 2023, the Chamber of Deputies Hall held a legislative discussion on a bill that regulates the development of online betting platforms in Chile. The bill was approved by the Chamber and will proceed to the second constitutional process in the Senate.

The Company does not believe its activities in Chile are illegal based on external legal opinions obtained in previous years, and updated external legal opinions supporting the Company's assertions. The Company had previously not registered for the Chilean VAT on digital service providers as the Company believed the application of VAT on gross customer deposits, as previously clarified by the SII, prior to the March 2023 resolution, did not represent a reasonable application of the law to the economic substance of the Company's services; this previous application would have resulted in a material loss to the Company. The Company believes that Chilean tax laws and regulations support that only the fees directly charged by the Company's platform, primarily poker fees, should be the taxable base for the Chilean digital VAT and has obtained an external legal opinion supporting this position, the application of which would not have a material impact to the Company's financial statements. However, as a result of the SII excluding the Company's activities from the digital VAT registration, we no longer believe a liability is probable for the past activities as of December 31, 2022 as the Company is now effectively prevented from complying with the digital VAT law. However, there is uncertainty as to the regulated environment, what amounts may be ultimately due on our previous activities and the ability to operate in this jurisdiction until the SII resolves the position. Resolution of this matter may result in fines, penalties, additional expenses or require us to exit the market. Revenues from Chile represented 28.1% and 28.0% of total consolidated revenue for the years ended December 31, 2023 and 2022, respectively.

Synthetic Equity

Pursuant to the binding term sheet previously entered into with Red Rock Resorts, Inc., the Company entered into the Master Gaming Services Agreement with Station Casinos LLC ("Stations") on March 30, 2023, to launch GameSTACK and GAN Sports RMiG and sportsbook solutions at its properties through self-service kiosks as well as through on-premises and statewide mobile versions in Nevada, subject to applicable licensure. As an additional incentive for Station to support the commercial success of the launch in Nevada, the Master Gaming Services Agreement includes a Synthetic Equity Addendum which would require that the Company make a payment to Station in the event of a change of control in the Company (the "Change of Control Payment"), subject to certain conditions outlined in the Synthetic Equity Addendum. The Change of Control Payment is payable only in the event that a change of control occurs during the period as specified by the Synthetic Equity Addendum and that the Company's market capitalization has increased during that time, calculated as proscribed by the Synthetic Equity Addendum, which the amount of such payment ranging from 2.5% to 5% of such increase in market capitalization over approximately $2.00 per share, depending on whether certain minimum revenue conditions are met over the next five years. The payment represents an equity-linked financial instrument containing service, performance and market conditions and is measure and classified in accordance with stock-based compensation guidance. The initial grant-date fair value represents an upfront payment to a customer for the maximum tranche which will be attributed as contra revenue over the estimated initial contract term as revenue is earned under the arrangement such that the recognition of the constraints is not probable to result in a material reversal of revenue.

The initial value of the grant date liability and corresponding contract asset was valued utilizing a Monte Carlo simulation, which includes numerous scenarios including assumptions of probability weighted likelihood of different outcomes. As facts and circumstances become known or knowable at each reporting period, the probability of certain scenarios will change which will increase or decrease the value, and also the classification of the liability on the consolidated balance sheets. The valuation utilizing the Monte Carlo simulation on March 30, 2023 was determined to be approximately $1.1 million at grant-date and recorded within other assets and other liabilities in the condensed consolidated balance sheet.

On November 7, 2023, the Company entered into the Merger Agreement at a share price of $1.97. The closing of the Merger is also predicated upon receipt of approval of the Merger and change in control of the Company by all relevant gaming authorities. The Company anticipates that securing such regulatory approvals will take some time, and that the closing of the Merger may not occur until late 2024 or early 2025. Refer to Note 1. Based on the Company's anticipated timing of the change in control, the revenue conditions in the Synthetic Equity Addendum would not be met, the share price would be less than the $2.00 per share threshold, and no value would be assessed to the liability. As such, a 75% probability was applied to the sale scenario of $0 value and 25% to the year-end Monte Carlo value which assumes a sale in the future with potential revenue thresholds being met. As of December 31, 2023, the fair value was determined to be approximately $0.3 million. The year-end fair value is not sensitive to significant changes in inputs. The change in value was charged as a reduction to general and administrative expense. As of December 31, 2023, the underlying revenue arrangement has commenced, and the asset is probable of recovery.

NOTE 18 – SUBSEQUENT EVENTS

WynnBet Michigan

In February 2024, the Company was notified by WynnBet of its intent to assign its contract to a third party in one jurisdiction, which pursuant to the commercial contract results in a payment of $1.75 million due to the Company. Upon regulatory approval of the assignment, the Company would then be owed an additional $5.0 million to fulfill the assignment on behalf of WynnBet, of which $2.5 million would be due at the initiation of the migration plan, and the balance due upon the completion, or termination, of the migration efforts.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer (together, the "Certifying Officers"), as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance, not absolute assurance, of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements will not occur or that all control issues, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including the Certifying Officers, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Certifying Officers concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of December 31, 2023. The Certifying Officers based their conclusion on the fact that the Company has identified a material weakness in controls over financial reporting, detailed below. In light of this fact, our management has performed additional analyses, reconciliations, and other procedures and have concluded that, notwithstanding the material weakness in our internal control over financial reporting, the consolidated financial statements for the periods covered by and included in this Form 10-K fairly present, in all material respects, our financial position, results of operation and cash flows for the periods presented in conformity with GAAP.

Material Weakness in Internal Control Over Financial Reporting

The Company's management and audit committee of the board of directors also previously concluded that the fact that the Company did not design appropriate controls to evaluate risks to the entity from improper segregation of duties, review user access rights, monitor activities of finance users with elevated rights within the financial reporting system, and maintain manual controls at a level of precision to mitigate potential misstatements that could be present through the lack of segregation of journal entry preparation and approval within certain financial reporting systems constituted an additional material weakness.

Remediation Plans

We continue to evaluate measures to remediate the identified material weaknesses. These measures include implementing appropriate controls to segregate journal entry preparation and approvals to actively monitor finance users with elevated rights and segregate the information technology administration function from the finance team.

We intend to continue to take steps to remediate the material weakness described above and further enhance our accounting processes, controls, and reviews. The Company plans to continue to assess its internal controls and procedures and intends to take further action as necessary or appropriate to address any other matters it identifies or are brought to its attention. We will not be able to fully remediate this material weakness until these steps have been completed and have been operating effectively for a sufficient period of time.

The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. We will not be able to conclude whether the steps we are taking will fully remediate the material weakness in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness. We may also conclude that additional measures may be required to remediate the material weakness in our internal control over financial reporting, which may necessitate further action.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) for the Company. Our management, under the supervision and with the participation of the Certifying Officers, assessed the effectiveness of the design and operation of our internal controls over financial reporting as of December 31, 2023, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on this assessment and because of the material weakness identified above, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2023.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this Annual Report on Form 10-K.

Changes in Internal Controls Over Financial Reporting

Except for the remediation measures discussed above, there were no changes in our internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is set forth under the following captions in our proxy statement to be filed with respect to our 2024 Annual Meeting of Shareholders (the "proxy statement"), all of which is incorporated by reference: "Directors;" "Executive Officers;" "Corporate Governance;" "Other Information - Delinquent Section 16(a) Reports;" "The Proxy Process and the Annual Meeting - Director Nominations and Shareholder Proposals for Inclusion in GAN Limited's 2024 Proxy Materials," and "Proposals - Proposal No. 1 - Election of Directors."

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is set forth under the following captions in our proxy statement, all of which is incorporated by reference: "Executive Officers - Summary Compensation Table for Fiscal Years 2022 and 2021, Narrative Disclosure to Summary Compensation Table, Outstanding Equity Awards at Fiscal and Year End 2023;" Directors - Director Compensation in 2023."

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

The information required by this item is set forth under the following captions in our proxy statement, all of which is incorporated by reference: "Other Information - Equity Compensation Plan Information, Security Ownership of Certain Beneficial Owners and Management."

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

The information required by this item is set forth under the following captions in our proxy statement, all of which is incorporated by reference: "Corporate Governance - Review and Approval of Related Party Transactions" and "Corporate Governance - Director Independence."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is set forth under the following captions in our proxy statement, all of which is incorporated by reference: "Proposals - Proposal No. 2 - Appointment of Independent Registered Public Accounting Firm."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

The following consolidated financial statements of GAN Limited are included in Item 8 of this report:

2. Financial Statement Schedules

All financial statement schedules are omitted as they are not required.

3. Exhibits

The exhibits required by Item 601 of Regulation S-K are included under Item 15(b) below.

(b) Exhibits

		Incorporation by Reference			
Exhibit Number	**Description of Document**	**Filed Herewith**	**Form**	**Exhibit Number**	**Date Filed**
2.1	Scheme of Arrangement of GAN plc		F-1	2.1	April 17, 2020
2.2	Share Exchange Agreement, dated November 15, 2020, among GAN Limited and Vincent Group p.l.c.		6-K	99.1	November 16, 2020
2.3*	Agreement and Plan of Merger dated November 7, 2023 among SEGA SAMMY CREATION INC., Inc., Arc Bermuda Limited and the Company.		8-K	2.1	November 8, 2023
2.4	Amendment to Agreement and Plan of Merger dated December 15, 2023 among SEGA SAMMY CREATION INC., Inc., Arc Bermuda Limited and the Company		8-K	2.1	December 15, 2023
3.1	Memorandum of Association of GAN Limited		F-1	3.1	April 17, 2020
3.2	By-Laws of GAN Limited		F-1	3.2	April 27, 2020
4.1	Specimen certificate evidencing ordinary shares		F-1	4.1	April 27, 2020
4.2	Description of Securities		10-K	4.3	April 25, 2022
10.1+	2020 Equity Incentive Plan of GAN Limited, as amended		F-1	10.1	December 7, 2020
10.1.1+	2020 Equity Incentive Plan – Form of Restricted Stock Grant Agreement		F-1	10.2.1	April 27, 2020
10.1.2+	2020 Equity Incentive Plan – Form of Nonstatutory Stock Option Agreement		F-1	10.2.2	April 27, 2020
10.1.3+	2020 Equity Incentive Plan – Form of Incentive Stock Option Agreement		F-1	10.2.3	April 27, 2020
10.1.4+	2020 Equity Incentive Plan – Form of Restricted Stock Unit Agreement		F-1	10.2.4	April 27, 2020
10.2+	Form of Indemnification Agreement for Directors and Officers		F-1	10.3	April 17, 2020

10.3+	Form of Director Services Agreement		F-1	10.4	April 17, 2020
10.4+	GAN Limited Employee Stock Purchase Plan		F-1	10.5	December 7, 2020
10.5+	Employment Agreement with Dermot S. Smurfit		10-K	10.6	March 31, 2021
10.6+	Employment Agreement with Karen Flores		10-K	10.7	March 31. 2021
10.7+	2020 Equity Incentive Plan U.K. Sub-Plan - Company Share Option Plan		S-8	4.3.5	February 12, 2021
10.8.1+	2020 Equity Incentive Plan U.K. Sub-Plan - Company Share Plan Option Agreement		S-8	4.3.6	February 12, 2021
10.8.2+	2020 Equity Incentive Plan U.K. Sub-Plan - Enterprise Management Incentive Plan Option Agreement		S-8	4.3.7	February 12, 2021
10.8.3+	2020 Equity Incentive Plan U.K. Sub-Plan - Enterprise Management Incentive Plan (EMI)		S-8	4.3.8	February 12, 2021
10.9	GAN Limited Employee Stock Purchase Plan		DEF 14A	Exhibit A	June 10, 2021
10.10+	Executive Employment Agreement, between the Company and Sylvia Tiscareño, dated December 19, 2021		8-K	10.2	December 22, 2021
10.11+	Employment Contract, between the Company and Jan Roos, dated as of January 13, 2022		10-K	10.14	April 15, 2022
10.12	Credit Agreement, by and among the Company, BPC Lending I, LLC and Alter Domus (US) LLC as agent dated April 25, 2022		10-Q	10.11	August 15, 2022
10.13+	Separation and Release Agreement, between the Company and Karen Flores, dated December 28, 2022		10-K	10.12	April 14, 2023
10.14+	Amended and Restated Employment Agreement, between the Company and Brian Chang, dated December 30, 2022		10-K	10.13	April 14, 2023
10.15	First Amendment to Credit Agreement, date as of April 13, 2023, between the registrant and BPC Lending I, LLC		8-K	10.1	April 19, 2023
10.16	Second Amendment to Credit Agreement, dated as of April 13, 2023, between the registrant and Sega Sammy Holdings Inc		8-K	10.2	April 19, 2023
10.17	Subscription Agreement, dated March 29, 2023, between the Company and Ainsworth Game Technology, Inc.		S-1/A	10.14	May 30, 2023
10.18+	A&R Employment Agreement, dated March 9, 2023, between the Company and Giuseppe Gardali	X			
10.19+	Employment Agreement, dated October 5, 2023, between the Company and Seamus McGill	X			
21.1	List of Subsidiaries	X			
23.1	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm	X			
24.1	Powers of Attorney (included on signature page)	X			
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
97.1	GAN Limited Clawback Policy	X			
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X			
104	Cover page Interactive Data File (formatted Inline XBRL and contained in Exhibit 101)	X			

+ Indicates management contract or compensatory plan or arrangement.

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the SEC.

** Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

Dated: March 13, 2024

GAN LIMITED
(Registrant)

By: */s/ SEAMUS MCGILL*
Seamus McGill
Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints each of Seamus McGill and Brian Chang as his or her true and lawful attorney and agent, with full power of substitution and re-substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023, and to file the same with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney and agent may lawfully do or cause to be done by virtue hereof.

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

Signatures	Title	Date
/s/ SEAMUS MCGILL Seamus McGill	Chief Executive Officer (*Principal Executive Officer*)	March 13, 2024
/s/ BRIAN CHANG Brian Chang	Interim Chief Financial Officer (*Principal Financial and Accounting Officer*)	March 13, 2024
/s/ DAVID GOLDBERG David Goldberg	Director	March 13, 2024
/s/ DAVID ROSS David Ross	Director	March 13, 2024
/s/ SUSAN BRACEY Susan Bracey	Director	March 13, 2024
/s/ ERIC GREEN Eric Green	Director	March 13, 2024

Exhibit 10.18

Employment Contract

(1) GAN (UK) Limited

and

(2) Giuseppe Gardali

Contents

THIS AGREEMENT is made on

PARTIES

(1) **GAN (UK) LIMITED**, a company incorporated in England with registered number *** whose registered office is at 30 Stamford Street, London, England, SE1 9LQ (the '**Company**' or '**we**'); and

(2) **GIUSEPPE GARDALI**, of *** (the '**Employee**' or '**you**')

THE PARTIES AGREE:

1 Definitions and interpretation

1.1 In this Agreement the following expressions will, unless the context otherwise requires, have the meanings set opposite them:

Agreed Sum	an amount equivalent to the gross value of one year's Basic Salary as specified in Clause 8 less any sums paid to you by way of notice or payment in lieu of notice.
Award Agreement	an agreement under which an employee has been granted stock options under the 2020 Equity Incentive Plan.
Basic Salary	the meaning given to it in Clause 8.1;
Board	the directors of the Company present at a meeting: (i) of directors of the Company or (ii) of a duly appointed committee of directors of the Company**;**
Cause	means any of the following conduct by you: (i) the failure to successfully pass the Company's background screening, which may include, but is not limited to, criminal and financial background investigations, and verification of prior employment, education, degrees, certifications, training, and other credentials; (ii) the conviction or admission, including a plea of nolo contendre, of a felony, or the conviction or admission of any other act or omission involving material dishonesty or fraud with respect to the Company or any of its Group Companies; (iii) the failure to perform material duties of the position held by you, or any other material breach of this Agreement, which breach remains uncured for a period of 10 days after the Company's written notice to you describing such breach; (iv) an act of dishonesty, fraud, misappropriation, embezzlement, breach of trust, or intentional misconduct with respect to the Company or any of its Group Companies; (v) the illegal use or possession of drugs in or on the Company's premises; (vi) excessive or irresponsible use of alcohol that has a direct impact on the performance and execution of your duties and responsibilities; (vii) intentional and wilful misconduct that may subject the Company to criminal or civil liability; (viii) material or repeated failure to comply with the Company's policies and procedures; (ix) failure to cooperate, or timely cooperate, in any investigation by the Company or with any investigation, inquiry, hearings, or similar proceedings by any governmental authority having jurisdiction over the Company or its Group Companies;

(x) being found unsuitable for, or having been denied, a gaming license, or having such license revoked by a gaming regulatory authority in any jurisdiction in which the Company or any of its subsidiaries or affiliates conducts operations;

(xi) wilful or material misrepresentation to the Company; or

(xii) breach of any of the material terms of this Agreement.

Change-in-Control	means and includes any of the following occurrences: (i) any Person, including a group as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, becomes the beneficial owner of stock of the Company with respect to which fifty percent (50%) or more of the total number of votes for the election of the Board may be cast; (ii) as a result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets or contested election, or combination of the foregoing, persons who were directors of the Company just prior to such event shall cease to constitute a majority of the Board; (iii) the consummation of a sale or other disposition of all or substantially all the assets of the Company; or (iv) a tender offer or exchange offer is made and consummated for the ownership of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities. A transaction shall not constitute a Change-in-Control if its sole purpose is to change the jurisdiction of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.
Commencement Date	1 January 2023 (notwithstanding the dates of execution of this Agreement);
Confidential Information	the meaning given to it in Clause 16.1.;
Disability	means disability caused by any physical or mental injury, illness, or incapacity, as a result of which you are unable to effectively perform the essential functions your duties for a continuous period of more than 90 days (whether or not continuous) in any 240-day period, as determined by an independent, legally qualified medical doctor selected by the Company's health or disability insurer.
Employment	your employment by the Company under this Agreement;
Equity Awards	the equity awarded pursuant to any past Award Agreement;
Garden Leave	any period during which the Company exercises its rights under Clause 21.1;
Good Reason	means, without your written consent: (i) any material reduction in your benefits, unless such reduction is in connection with a general reduction of benefits across the Company or successor company; (ii) any material reduction in your compensation, unless such reduction is in connection with a general reduction of compensation across the Company; or (iii) any failure to pay timely and completely any Basic Salary or Bonus owed to you.
Group Company	any holding company of the Company and any subsidiary of the Company or of any such holding company each from time to time as defined by section 1159 of the Companies Act 2006.
Incapacity	any sickness, accident, injury or other incapacity which renders you incapable of properly performing your duties under this Agreement;
Intellectual Property Rights	the meaning given to it in Clause 17.2;
Invention	the meaning given to it in Clause 17.2;
Notices	the meaning given to it in Clause 29.1;
Person	means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organisation, investment fund, any other business entity and a governmental entity, or any department, agency or political subdivision thereof;

Staff Handbook	the Company's Staff Handbook from time to time, a copy of which is available from HR.
Supervisor	such person as the Company may from time to time appoint as your line manager.
Termination Date	if your employment hereunder terminates on account of your death, the date of your death; if your employment hereunder is terminated on account of your Disability, the date that it is determined that you have a Disability; if the Company terminates your employment hereunder for Cause, the date the written notice of termination is delivered to you; if the Company terminates your employment hereunder without Cause, the date specified in the written notice of termination delivered to you; and if you terminate your employment hereunder with or without Good Reason, the date specified in your written notice of termination delivered to the Company.
Third Party	the meaning given to it in Clause 12.9;
Works	the meaning given to it in Clause 17.2; and
WTR	the Working Time Regulations 1998.

1.2 In this Agreement:

1.2.1 words and expressions defined in the Companies Act 2006, unless the context otherwise requires, have the same meanings when used in this Agreement;

1.2.2 any reference to this Agreement or to any other document include any permitted variation or amendment to this Agreement or such other document;

1.2.3 the use of the singular includes the plural and vice versa and words denoting any gender will include a reference to each other gender;

1.2.4 any reference to a Clause or Schedule is, except where expressly stated to the contrary, reference to the relevant Clause of or Schedule to this Agreement;

1.2.5 Clauses and Schedule headings and the use of bold type are included for ease of reference only and will not affect the construction or interpretation of any provision of this Agreement;

1.2.6 any reference to any statute, statutory instrument, order, regulation or other similar instrument (including any retained European Union order, regulation or instrument) will be construed as including references to any statutory modification, consideration or re-enactment of that provision (whether before or after the date of this Agreement) for the time being in force including all instruments, orders or regulations then in force and made under or deriving validity from it; and

1.2.7 any phrase introduced by the terms 'include', 'including', 'in particular' or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms.

2 Employment

2.1 You will be employed by the Company as President, B2B, more details of which are set out in the job description provided to you.

2.2 The Company may from time to time employ or appoint any other person to act jointly with you in carrying out your duties and functions and exercising your powers under this Agreement.

2.3 You represent and warrant that:

2.3.1 you will not, as a consequence of entering into or performing this Agreement, be in breach of any terms binding upon you of any contract, agreement, undertaking, court order or arrangement with, or any obligation to, any third party;

2.3.2 you are not subject to any restriction which will materially hinder or restrict you from performing any duties which you are or may be required to perform under this Agreement or any other agreements or arrangements made between you and the Company or any Group Company;

2.3.3 you have no unspent criminal convictions and have never been disqualified from acting as a director;

2.3.4 all of the information that you have provided to the Company, and any third party acting on behalf of the Company, prior to the commencement of the Employment is complete, true and up-to-date and you have not deliberately omitted any information relevant to your employment; and

2.3.5 you currently hold a gaming licence in all of the relevant jurisdictions in which the Company and any Group Company currently operates.

2.4 Your employment with the Company in this position is contingent on your ability to qualify for, and to hold, a gaming license in any jurisdiction the Company or any of its Group Companies or affiliates conducts operations or intends to operate.

2.5 You agree to timely cooperate with any and all regulatory requests regarding any licensing or inquiry from applicable government agencies.

2.6 Your employment with the Company in this position is contingent upon, among other factors, you not having your license revoked by a gaming regulatory authority for any reason during the course of employment with the Company.

3 Commencement and duration

3.1 The Employment will commence on the Commencement Date.

3.2 The Employment will continue, subject to the terms of this Agreement, until terminated by either party giving to the other not less than 3months' notice in writing.

3.3 Your period of continuous employment with the Company will be deemed to have commenced on 1 January 2009.

3.4 The Company reserves the right in its sole and absolute discretion to terminate the Employment with immediate effect at any time by:

3.4.1 making a payment to you in lieu of notice equivalent to Basic Salary (as at the date of termination) only and excluding any payment in respect of holiday entitlement that would have accrued during the period for which the payment in lieu is made for the notice period (or, if notice has already been given, the balance of it) as specified in Clause 3.2 above; and

3.4.2 notifying you orally or in writing:

(a) that the payment has been made;

(b) that the Employment is being terminated in exercise of the right under this Clause; and

(c) when the Employment will, as a result, terminate.

Any payment in lieu of notice paid pursuant to this Clause 3.4 will be paid less tax and national insurance contributions as required by law.

3.5 Rather than exercise its rights in the manner set out in Clause 3.4, the Company may instead at any time elect, in its sole and absolute discretion, to pay the sum described under Clause 3.4.1 in a series of equal instalments, such instalments to be paid during the notice period or, if notice has already been given, the balance of it, with the effect that the Employment will terminate as follows:

3.5.1 the first instalment will be paid to you;

3.5.2 at the same time as or subsequent to the making of that first payment, you will be notified ('the **Notification**'):

(a) that the first instalment payment has been made;

(b) that the Employment is being terminated in exercise of the rights under this Clause;

(c) that the Employment has terminated with immediate effect, as at the date and time of the Notification;

(d) on what dates the remaining instalment payments will be made; and

(e) of the total payment that will have been made once all instalments have been paid.

During the period from the Notification until the date the last instalment is paid, you are obliged to seek alternative income (by way of undertaking alternative work). You must advise the Company of the amount of any income earned by you and/or referable to work undertaken by you during that period as soon as is reasonably practicable (irrespective of whether such income has in fact been received). The instalment payments will be reduced by the amount of any such alternative income (irrespective of whether such income is in fact received by you before the end of that period).

3.6 If, at any time after the Company has exercised its right to make a payment under Clause 3.4 or Clause 3.5, the Company reasonably considers that you have committed an act of gross misconduct during your employment with the Company, it will be released from its obligation to make the payment referred to in Clause 3.4 and/or to pay any outstanding instalment(s) under Clause 3.5 and any payment under Clause 3.4 or 3.5 that has already been made to you will be repayable by you to the Company as a debt.

3.7 There is no probationary period applicable to your appointment.

4 Duties

4.1 At all times during the Employment you will:

4.1.1 unless prevented by Incapacity devote the whole of your working time, attention and skill to the carrying out of your duties under this Agreement;

4.1.2 at all times and in all respects and in willing cooperation with others, faithfully and competently perform such duties and exercise such powers, authorities and discretions as are consistent with your position and as may from time to time be vested in, or assigned or delegated to, you by the Chief Executive Officer, provided that the Chief Executive Officer may at any time require you to cease performing and exercising any or all of such duties, powers, authorities or discretions;

4.1.3 use your best endeavours to promote, develop and protect the business, interests, goodwill and reputation of the Company and any Group Companies for which you are required to perform duties;

4.1.4 at all times keep the Chief Executive Officer promptly and fully informed (in writing, if requested) of your conduct of the business or affairs of the Company and any Group Companies for which you are required to perform duties and provide such further information or explanations as the Chief Executive Officer may require;

4.1.5 obey all reasonable and lawful directions from time to time given to you by or under the authority of the Chief Executive Officer, or any designee as appointed by the Chief Executive Officer, and comply with all rules, regulations, policies and procedures of the Company or any Group Company for which you are required to carry out duties; and

4.1.6 without prejudice to the generality of Clause 4.1.4 above, declare to the Chief Executive Officer and Chief Legal Officer via written correspondence any interest that you may have (directly or indirectly) in any existing transaction and any proposed transaction or arrangement with the Company or any Group Company, as soon as practicable and in any event before any such transaction or arrangement is entered into;

4.1.7 not make any public statement or take or omit to take any action which results in (or has a foreseeable risk of resulting in) the disclosure of any price-sensitive information of the Company or any Group Company without prior written approval from the Board;

4.1.8 without prejudice to the generality of Clauses 4.1.3, 4.1.4 and 4.1.6, ensure that the Chief Executive Officer is aware as soon as practicable of:

(a) any material activity, actual or threatened, which might affect the interests of the Company and/or any Group Company;

(b) any actual, potential, or maturing business opportunity enjoyed by the Company or any Group Company;

(c) your own misconduct or the misconduct of any agent, employees, officer, or worker of the Company or any Group Company of which you are, or ought reasonably to be, aware; and

(d) the intention (whether settled or not) of you or any agent, employee, officer, or worker of the Company or any Group Company who reports directly or indirectly to you to resign from their employment or engagement with the Company or any Group Company and which arises in relation to the business area for which you are responsible;

4.1.9 use your best endeavours to ensure that the Company and each Group Company complies in all material respects with the rules, procedures, policies and codes of any professional organisation or association of which it is a member.

4.2 You will not without the Company's prior written consent and subject always to being notified of any relevant limits on your authority:

4.2.1 on behalf of the Company incur any capital expenditure in excess of £200,000 or such other sum as the Company may authorise and notify to you from time to time;

4.2.2 on behalf of the Company enter into any commitment, contract or arrangement otherwise than in the normal course of the Company's business or outside the scope of your normal duties or of an unusual, onerous or long-term nature or hold yourself out as having authority to do any of them;

4.2.3 during the Employment, make, otherwise than for the benefit of the Company or any Group Company, any notes, memoranda, records, tape recordings, computer programs, photographs, plans, drawings or any other form of record relating to any matter within the scope of the business of the Company or any Group Company or concerning any of the dealings or affairs of the Company or any Group Company.

5 Conflicts of interest

5.1 Without prejudice to Clause 4.1, you will not at any time during the Employment (including any period of Garden Leave), except as a representative or nominee of the Company or any Group Company, without the prior written consent of the Chief Executive Officer (such consent not to be unreasonably withheld):

5.1.1 directly or indirectly, be engaged, concerned or interested in any capacity in any business (which includes any material commitment to a charity or other non-profit-making entity) other than that of the Company and any Group Company for which you are required to perform duties; or

5.1.2 render services of any kind for remuneration to any person, company or other undertaking other than the Company or any Group Company for which you are required to perform duties;

5.1.3 take any steps that are preparatory to competing with the business of the Company or any Group Company in breach of the implied and express terms of this Agreement other than making a bona fide application for new employment;

5.1.4 directly or indirectly procure or obtain or accept for your own benefit (or the benefit of any person other than the Company) any payment, rebate, discount, commission, voucher, gift or other benefit (with the exception of reasonable corporate entertainment) from any third party in respect of any business transacted or proposed to be transacted (whether or not by you) by or on behalf of the Company or any Group Company or its or their clients and will immediately disclose and account to the Company for any such payment or benefit received by you (or by any other person on your behalf or at your instruction).

5.2 Nothing in Clause 5.1 will prohibit you from holding or being interested in by way of bona fide personal investment securities of any company quoted on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or dealt in or on the Alternative Investment Market of the London Stock Exchange plc provided that such company is not in competition with the business of the Company and/or any Group Company and that any such holding when aggregated with shares or securities beneficially owned by you or any of your connected persons will not exceed 5% of the whole or any class of the issued share capital of that company.

5.3 You confirm that you have disclosed in writing to the Company all circumstances existing at the date of this Agreement which would require the consent of the Chief Executive Officer under Clause 5.1.1, 5.1.2 and 5.1.3 above and all circumstances in respect of which there is, or may be, a conflict of interest between the Company or any Group Company and you or any of your connected persons. You agree to disclose fully to the Company any such circumstances which may arise during the Employment.

6 Place of work and travel

6.1 Your normal place of work is the Company's registered office, or any other place of business which the Company may reasonably require from time to time. It is likely that you will work for at least some of the term of your employment with the Company from your home address and you agree to do so if instructed.

6.2 You may be required to travel within the United Kingdom and/or overseas on the business of the Company or any Group Company as required for the proper performance of your duties.

7 Hours of work

7.1 You will work normal office hours of 9.30am to 6.00pm Monday to Friday. Your hours of work are variable and the Company may require you to work such additional or other hours without additional remuneration as the Company may reasonably demand from time to time for the proper performance of your duties.

7.2 It is the Company's understanding that, in accordance with Regulation 20 of the WTR, your working time is not measured or pre-determined or is determinable by you. Notwithstanding that, to the extent that Regulation 4(1) of the WTR applies to you, you agree in accordance with Regulation 5 of the WTR that the limit of maximum weekly working time set out in Regulation 4(1) of the WTR will not apply to you during the Employment. You acknowledge that you may terminate such opt out at any time by giving the Company not less than three months' written notice.

8 Remuneration

8.1 The Company will pay you a basic salary at the rate of £245,000 per year or such other rate as may be agreed with you from time to time the Board (**'Basic Salary**').

8.2 Basic Salary (less tax and statutory and other deductions) will be payable by equal monthly instalments in arrears on or about the last working day of each calendar month by automated transfer to an account specified by you and will be deemed to accrue from day to day.

8.3 The Company may in its absolute discretion pay you a bonus of such amount, at such intervals and subject to such conditions as the Company may in its absolute discretion determine from time to time ('**Bonus**'). The Company further reserves the right to amend from time to time any condition relevant to the Bonus including but not limited to calculation, eligibility, payment timing, payment type, etc. As it relates to the Bonus:

8.3.1 You are eligible for a maximum Bonus amount, if any, equal in value of up to 100% of your Basic Salary actually paid to you for the calendar year you are actively employed with the Company. The Bonus amount is based 50% upon the Company's performance and 50% upon you meeting performance objectives. The performance objectives are defined by the Supervisor in consultation with you.

8.3.2 Notwithstanding the forgoing, the Bonus may be paid through the issuance of restricted stock subject to the terms of an Award Agreement (as defined in 1.1) in any year at the Company's sole determination. Any restricted stock issued in lieu of a cash Bonus are immediately vested.

8.3.3 Any bonus payment to you shall be purely discretionary and shall not form part of your contractual remuneration under this agreement. If we make a bonus payment to you, we shall not be obliged to make subsequent bonus payments.

8.4 Notwithstanding clause 8.3, you shall in any event have no right to a bonus or a time-apportioned bonus if:

8.4.1 you have not been employed throughout the whole of the relevant financial year of the Company;

8.4.2 your employment terminates for any reason or you are under notice of termination (whether given by you or by us) at or prior to the date when a bonus might otherwise have been payable; and/or

8.4.3 you have not complied with the terms of this agreement.

8.5 Any bonus payment shall not be pensionable.

8.6 You are eligible to be considered for, but are not guaranteed, an annual grant of equity under an Award Agreement (as defined in 1.1) in an amount established by the Chief Executive Officer and in consultation with the Compensation Committee of the Company's Board of Directors (the "**Board**"). Any such equity grant to you shall be purely discretionary and shall not form part of your contractual remuneration under this agreement. If we make an equity grant to you, we shall not be obliged to make subsequent equity grants.

9 Expenses

9.1 The Company will reimburse to you all reasonable expenses wholly, exclusively and properly incurred by you in the performance of your duties under this Agreement (excluding any car parking fines or road traffic offence fines) subject to the Company's Travel and Expenses Policy from time to time and to the production to the Company of such evidence of expenditure as the Company may require.

10 Pension

10.1 The Company will comply with the employer pension auto-enrolment duties in respect of the Employee in accordance with Part 1 of the Pensions Act 2008.

10.2 For further information about pension arrangements, please refer to the Staff Handbook or contact your line manager.

11 Other benefits

11.1 In addition to the other benefits set out elsewhere in this Agreement, you may be provided with the following benefits during your employment, subject to any rules applicable to the relevant benefit:

11.1.1 you will be entitled to the Company's wellness benefit for sports and wellness re-imbursement, in accordance with the Company's policy relating to this benefit from time to time;

11.1.2 you will be eligible to join the Company's private medical policy for you and your immediate family members, at your own cost;

11.1.3 you will be eligible to participate in the Company's medical cash plan with medicash which includes treatment benefit allowances and access to an Employee Assistance Programme offering 24/7 health & stress related helplines;

11.1.4 you will be eligible to receive an annual free eye test, more details of which are set out in our Staff Handbook;

11.1.5 you will be eligible to participate in our Cycle to Work Scheme which is run through Cyclescheme, more details of which are set out in our Staff Handbook;

11.1.6 you will be eligible to participate in our employee referral scheme, more details of which are set out in the Staff Handbook; and

11.1.7 you will be eligible to apply for an annual season ticket loan.

11.2 Further details of the benefits set out in clause 11.1 above are available from HR.

11.3 For the avoidance of doubt, unless otherwise stated the benefits set out in clause 11.1 do not form part of your contract of employment. The Company may replace or withdraw such benefits, or amend the terms of such benefits, at any time on giving reasonable notice to you.

12 Incapacity

12.1 You will, subject to complying with this Agreement and the requirements of Clauses 12.4 and 12.5, be entitled during absence on the grounds of Incapacity to Company sick pay equivalent to your Basic Salary for a period of 10 working days, calculated as the aggregate period of absence in any 52-week period.

12.2 Company sick pay will include any statutory sick pay (SSP) due. For SSP purposes, the qualifying days will be Monday to Friday (inclusive).

12.3 The Company will be entitled to deduct from your sick pay the amount of income or other benefits that you are entitled to claim in consequence of the Incapacity under the national insurance scheme for the time being in force, any scheme for the time being in force of which you are a non-contributing member and any other similar scheme or arrangement (whether or not such benefits are received).

12.4 If you are absent from your duties for any reason, you, or someone on your behalf, must notify the Chief Executive Officer as soon as possible on the first day of absence. The reason for the absence should be given and, where possible, the expected duration of the absence. You must certify your absence in accordance with the Company's Absence Policy, which is available in the Staff Handbook. You must, if required by the Company, provide the Company with evidence satisfactory to the Company of the Incapacity and, if the Incapacity continues for a period exceeding seven consecutive days, must produce to the Chief Executive Officer a Statement of Fitness for Work ('fit note') from your doctor or other healthcare professional as soon as possible after the seventh day of absence and weekly after that. In any event, and even if fit notes have been produced, you must keep the Chief Executive Officer informed on a regular basis of your progress and the date of your expected return to work.

12.5 The Company may, at any time during the course of the Employment, require you to undergo a medical examination by your medical practitioner or a registered medical practitioner nominated by the Company. The Company will usually also ask you to authorise the medical practitioner, as required by law and/or professional guidance, to disclose to the Company the results of any such examination and/or any medical report, including your prognosis, your likely recovery time and/or fitness to return to work and any recommended treatment, and to discuss these matters with the Company and any Group Company. The Company will pay the reasonable expenses associated with taking these steps. The Company reserves the right to postpone your return to work after a period of absence until the Company has received confirmation from a medical practitioner whom the Company considers appropriate that you are fit to do so. If you do not undergo a medical examination when required to do so and/or agree to authorise disclosure of the above matters to the Company, it is likely that the Company will need to assess the position in light of the other evidence available to the Company (if any). This may have adverse consequences for your continuing employment.

12.6 If, at any time during the Employment, the Company has grounds to believe that you may not be fit to properly carry out your duties under this Agreement, it may suspend you with pay pending further investigation and/or require you to undergo one or more medical examination(s) in accordance with Clause 12.5 above.

12.7 The Company may appoint another person or persons to perform some or all of your duties until you return to work at any time after you have been absent through Incapacity for a consecutive period of 30 working days.

12.8 If you are absent by reason of Incapacity for a period exceeding 130 working days in any period of 52 weeks, the Company may at any time thereafter terminate the Employment by giving not less than 3 months' notice in writing to you or by making a payment in lieu of that period of notice, in accordance with Clause 3.4, even if that termination may result in you losing existing or prospective benefits.

12.9 In the event that you are incapable of performing your duties under this Agreement by reason of Incapacity caused wholly or partially by any person other than the parties to it (the '**Third Party**'), you must immediately inform the Company of that fact and of any action which you take against the Third Party including details of any claim, compromise, settlement or judgment and such additional information as the Company may request. All payments made to you by the Company under this Clause 12 will, to the extent that compensation is recoverable from the Third Party, constitute loans by the Company to you despite the fact that deductions for income tax and employees' national insurance contributions may have been made and will be repaid to the Company on request when and to the extent that you recover compensation from the Third Party by action or otherwise.

13 Holidays

13.1 During the Employment you will be entitled to 25 working days' paid holiday in each holiday year (in addition to bank and other public holidays in England), to be taken at such time or times as are approved by the Chief Executive Officer. The holiday year runs from January to December each year. Your holiday entitlement incorporates your statutory basic and additional annual leave entitlement. You will be deemed to take your statutory basic annual leave entitlement first, then your statutory additional annual leave entitlement, and finally any additional contractual annual leave entitlement.

13.2 The Company may require you to take holidays on particular dates including during any notice period or Garden Leave. You will be given reasonable notice of any such requirement.

13.3 Holiday entitlement will accrue at the rate of 2.08 days per complete month of service. Holiday entitlement in the holiday year in which the Employment commences and the holiday year in which the Employment terminates will be proportionate to your period of service during that holiday year (rounded up to the nearest full day).

13.4 Carrying forward unused holiday will be subject to such policy as the Company adopts from time to time. You will not be paid in lieu of unused holiday entitlement except as set out in Clauses 13.5 or as required by law.

13.5 On termination of the Employment in any circumstances, you will be entitled to pay in lieu of accrued but untaken holiday entitlement in respect of the holiday year in which the Employment terminates. The amount of any payment in lieu will be calculated on the basis of 1/260th of Basic Salary per day.

13.6 You will be required to repay to the Company any salary received for holiday taken in excess of your actual holiday entitlement, calculated on the basis set out in Clause 13.5 above. The Company will be entitled to deduct any amount due to be repaid to it in respect of such excess holiday entitlement from your final payment of Basic Salary and any other sums due to you under this Agreement.

14 Other paid leave

14.1 You are eligible for other paid leave, including maternity leave, adoption leave, paternity leave, parental leave, shared parental leave, compassionate leave, and parental bereavement leave, in accordance with the Company's current policies, as amended from time to time, subject to your complying with the relevant statutory and other conditions and requirements in order to be entitled to the leave and pay. Copies of our policies are available in the Staff Handbook.

15 Training

15.1 You must complete Anti Money Laundering (AML) training which will be paid for by the Company. You may also be entitled to take part in various training courses which the Company may provide from time to time in-house. For further details of the courses which might be available, please speak to your line manager or HR.

16 Confidential information

16.1 In this Agreement, **Confidential Information** means any Company confidential, proprietary, or trade secrets information, including, but not limited to, technical data, know-how, research, product plans and developments, prototypes, products, services, client lists, prospective clients list, client or potential client contact information, proposals, client purchasing practices, prices and pricing methodology, cost information, terms and conditions of business relationships with clients, client research and other needs, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, distribution and sales methods and systems, sales and profit figures, financial information, business information, operation information, plans, personnel information, as well as reports and other business information that you learn of, obtains, or that is disclosed to you during the Employment.

16.2 You will not, except in the proper performance of your duties under this Agreement, either during the Employment or at any time after its termination (howsoever caused) use for your own benefit or for the benefit of any other person, company or other undertaking, or directly or indirectly disclose to any person any Confidential Information.

16.3 During the Employment, you will use your best endeavours to prevent the disclosure to third parties of any Confidential Information.

16.4 You undertake that you will not at any time during the Employment nor at any time after its termination (howsoever caused) disclose, publish, or reveal to any representative of the media any incident, conversation, or information concerning any director, employee, agent, or consultant of the Company or any Group Company or any of its or their customers, is obviously private and which comes to your knowledge during the continuance of your employment, unless duly authorised in advance in writing by the Chief Executive Officer so to do.

16.5 The restrictions contained in this Clause 16 will not apply to:

16.5.1 use or disclosure authorised by the Board or the Chief Executive Officer or required by law, a court or tribunal of competent jurisdiction or any competent regulatory statutory body;

16.5.2 any information that, otherwise than through your unauthorised use or disclosure, already is, or comes into, the public domain; and/or

16.5.3 a protected disclosure within the meaning of Part IVA of the Employment Rights Act 1996 and/or a relevant pay disclosure made in compliance with section 77 of the Equality Act 2010.

17 Intellectual property

17.1 You agree to promptly disclose to the Company all Works and all Intellectual Property Rights arising from any Works and/or Inventions provided by you.

17.2 For the purposes of this Agreement:

Intellectual Property Rights	means without limitation any rights in inventions, patents, utility models, copyright, trade marks, trade names, domain names, design rights, designs, service marks, rights in get-up, database rights, know-how, trade secrets, semiconductor topography rights and any other rights of a similar nature, and, in each case: (i) whether or not registered or capable of protection by registration, (ii) including the right to apply to register any of them, (iii) including any applications to protect or register such rights, (iv) including all renewals and extensions of such rights or applications, (i) whether vested, contingent or future, and (vi) wherever existing;

Invention	means any invention, idea, concept, discovery, development, improvement or innovation, whether or not patentable or capable of registration, and whether or not recorded in any material form: (i) created or provided by you (either alone or jointly with others) in the course of your employment with the Company or (ii) arising out of this Agreement or any duties assigned to you by the Company (or any Group Company) or (iii) arising as a result of your special obligation to further the interests of the Company (or any Group Company), in each case (whether or not during your normal working hours or using Company (or any Group Company) premises or resources; and
Works	means without limitation any and all works of authorship, products, materials, research, processes, systems, programs (including software programs and source code), formulae, component lists, operating and training manuals, databases, instructions, manuals, brochures, catalogues, process descriptions, know-how, data, diagrams, charts, results, reports, information, methodologies, designs, documents, models, prototypes, sketches, drawings, plans, photographs, specifications and studies created or provided by you (either alone or jointly with others) in the course of your employment with the Company or arising from this Agreement or any duties assigned to you by the Company (or any Group Company) (whether or not during your normal working hours or using Company (or any Group Company) premises or resources).

17.3 You acknowledge that, because of the nature of your duties, and the particular responsibilities arising from the nature of your duties, you have, and will have at all times while you are employed by the Company, a special obligation to further the interests of the Company.

17.4 You acknowledge that all Intellectual Property Rights in any Inventions and/or Works, and all materials embodying them shall automatically belong to the Company to the fullest extent permitted by law.

17.5 To the extent that legal title in any Intellectual Property Rights in any Inventions and/or Works does not automatically vest in the Company pursuant to clause 17.4, you hereby assign (by way of present and future assignment) with full title guarantee all Intellectual Property Rights in any Inventions and/or Works to the Company (or any Group Company designated by the Company) including (with effect from their creation) all future rights and all materials embodying such rights to the fullest extent permitted by law.

17.6 You irrevocably waive any moral rights in the Works to which you now or may at any future time be entitled under Chapter IV of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including the right to be identified, the right of integrity and the right against false attribution, and you agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such Works, infringes your moral rights and all similar rights in other jurisdictions that are not capable of being assigned.

17.7 You will at the request of the Company promptly:

17.7.1 supply all information, data, drawings, software or other materials and assistance as may be required to enable the Company (or any Group Company) to fully exploit any Intellectual Property Rights in any Invention and/or Works to its best advantage as determined by the Company in its sole discretion; and

17.7.2 execute all documents and do all things necessary or desirable to vest ownership of Intellectual Property Rights in any Invention and/or Works or otherwise belonging to the Company in the Company (or any Group Company) and/or to apply for registration of Intellectual Property Rights, and to protect and maintain the Intellectual Property Rights, where appropriate throughout the world, and as the Company (or any Group Company) may specify.

17.8 You acknowledge that, except as provided by law, no further remuneration or compensation other than that provided for in this Agreement is or may become due to you in respect of your compliance with this Clause 17. This is without prejudice to your rights under the Patents Act 1977.

17.9 You warrant and represent that:

17.9.1 nothing in the Works infringes the Intellectual Property Rights of any third party or any rights of publicity or privacy;

17.9.2 all Works are your original work and have not been copied wholly or substantially from any other source;

17.9.3 you have not disclosed the details of any Invention to any third party other than under an enforceable obligation of confidence on the third party;

17.9.4 nothing in the Works violates any applicable law or regulation;

17.9.5 you have not given and will not give permission to any third party to use the Works, nor any of the Intellectual Property Rights; and

17.9.6 you are unaware of the use by any third party of any Invention or Works or the Intellectual Property Rights.

17.10 You will indemnify and at all times keep fully and effectually indemnified the Company (and any Group Company) against any and all claims, demands, actions, proceedings, costs, expenses (including legal costs and disbursements), liabilities, losses and damages suffered by the Company and/or any Group Company arising from or incurred by reason of any breach or alleged breach by you of the warranty contained in Clause 17.9.

18 Data protection, communications and monitoring

18.1 The Company will process personal data and special category data (sometimes known as 'sensitive personal data') and criminal records data relating to you in accordance with its Privacy Policy available on the Company's HRIS.

18.2 The Company will request and process personal data and special category data (sometimes known as 'sensitive personal data') and criminal records data relating to you for the purpose of completing and submitting gaming license applications for any jurisdiction the Company or any of its Group Companies or affiliates conducts operations or intends to operate. You agree to provide the personal data, special category data, and/or criminal records as you understand your employment with the company is contingent on your ability to qualify and retain a gaming license in any jurisdiction the Company or any of its Group Companies or affiliates conducts operations or intends to operate, as referenced in 2.4 and 2.6.

18.3 The Company may monitor staff in accordance with its policies relating to protecting the business contained in the Staff Handbook.

18.4 You will comply with your obligations under the Company's Privacy Policy and other relevant policies, including those relating to Protecting the Business and Communication.

18.5 The Company may transfer personal data and sensitive personal data outside the United Kingdom in accordance with the Company's Privacy Policy.

18.6 You agree and acknowledge that all written, spoken and electronic information held, used or transmitted by or on behalf of the Company, in whatever media, including information and data held on computer systems, hand-held devices, tablets or other portable or electronic devices and telephones and paper records, and information transmitted orally, relating both to the Company's own business or that of any Group Company or any customers, suppliers and other third parties with whom the Company engages or does business, remains the Company's property at all times, no matter what format it is in, where it is stored or how it is accessed.

19 Disciplinary and grievance procedures

19.1 Your employment is subject to the Company's Disciplinary Procedure, which is set out in the Staff Handbook. If you wish to appeal against a disciplinary decision, you may apply in writing to the Chief Executive Officer in accordance with the Company's Disciplinary Procedure. The Disciplinary Procedure does not form part of this Agreement or otherwise have any contractual effect and may be altered by the Company from time to time.

19.2 If you wish to raise a grievance, you may apply in writing to the Chief Executive Officer in accordance with the Company's Grievance Procedure, which is set out in the Staff Handbook. This procedure does not form part of this Agreement or otherwise have any contractual effect and may be altered by the Company from time to time.

19.3 The Company may, in its absolute discretion, suspend you from work, for so long as it deems necessary to carry out a proper investigation and to hold any appropriate disciplinary and/or appeal hearings, in order to investigate any claim or allegation which the Company considers could constitute serious misconduct, where relationships have broken down, where the Company has any grounds to consider that the Company's property or responsibilities to other parties are at risk, and/or where Company considers that your continued presence at the Company's premises could hinder an investigation.

19.4 During any period of suspension under Clause 19.3:

19.4.1 you will continue to be paid at the rate of pay to which you would be entitled if you were not subject to the suspension and to receive your contractual benefits in the usual way (subject to the terms of the benefit arrangement and this clause);

19.4.2 you must not, without the prior written consent of the Chief Executive Officer, attend your normal place of work or any premises of the Company or any Group Company;

19.4.3 the Company may require that you must not have any contact or communication with any adviser, agent, client, consultant, customer, director, distributor, employee, officer, shareholder, or other business contact of the Company or any Group Company other than purely social contact or make any announcement (whether directly or indirectly) in relation to your employment or otherwise;

19.4.4 you will carry out alternative duties or special projects, as required by the Company;

19.4.5 you must keep the Company informed of your whereabouts and how you can be contacted during each working day (except during any periods taken as holiday leave);

19.4.6 the Company may appoint another person to carry out your duties in your place;

19.4.7 you may be excluded from any premises of the Company and any Group Company;

19.4.8 you will be entitled only to statutory sick pay during any period of Incapacity;

19.4.9 you will remain an employee of the Company and continue to owe the Company all the duties of employment, including the duty of fidelity and any fiduciary duties (notwithstanding that you may have ceased to be a director or officer of the Company and any Group Company) and you will remain bound by the terms of this Agreement; and

19.4.10 you will not be entitled to become employed by, do work or perform services for any other person or undertaking.

20 Termination

20.1 Notwithstanding the provisions of Clause 3.2, the Company will be entitled to terminate the Employment with immediate effect, by notice in writing, without payment in lieu of notice or compensation if:

20.1.1 you are guilty of any gross misconduct in connection with or affecting the business of the Company or any Group Company for which you are required to perform duties;

20.1.2 you are in material breach or repeatedly fail to comply with the Company's policies and procedures;

20.1.3 you fail to cooperate, or timely cooperate, in any investigation by the Company or with any investigation, inquiry, hearings, or similar proceedings by any governmental authority having jurisdiction over the Company or any Group Company;

20.1.4 you commit any serious or repeated breach or non-observance of any of the provisions of this Agreement or you refuse or neglect to comply with any reasonable and lawful directions of the Company;

20.1.5 subject to following a disciplinary investigation, you are grossly negligent and/or incompetent in the performance of your duties;

20.1.6 you are guilty of fraud or dishonesty or engage any conduct (not sanctioned in advance by the Chief Executive Officer) which, in the opinion of the Company, has brought or may bring you, the Company or any Group Company into disrepute or has prejudiced or may prejudice, to a material extent, the business or affairs of the Company or any Group Company;

20.1.7 you are convicted of any criminal offence (except for a minor road traffic offence for which a fine or non-custodial penalty is imposed) that, in the reasonable opinion of the Chief Executive Officer, materially affects your ability to perform your duties;

20.1.8 without prejudice to Clause 20.1.7, you are charged or convicted of any offence relating to insider dealing or other dealing in securities;

20.1.9 any of the warranties set out in Clause 2.3 and Clause 17.9 above being found by the Company to be inaccurate, misleading or untrue;

20.1.10 you are unable by reason of Incapacity to perform your duties under this Agreement for an aggregate period of 130 working days in any 52-week period;

20.1.11 you are in breach of the Company's anti-bribery and corruption policy and related procedures;

20.1.12 you are in breach of the Company's tax evasion facilitation prevention policy and related procedures;

20.1.13 you are guilty of a serious breach of any rules issued by the Company from time to time regarding the use of its electronic communication systems;

20.1.14 you do not qualify for, or cease to obtain and/or hold, the necessary gaming licences issued by the relevant gaming regulatory authorities in the jurisdictions which the Company and any Group Company operates, for any reason during the course of employment with the Company, or are subject to any serious disciplinary sanction by, any professional or other body whose consent is required to enable you to carry out all or any of your duties under this Agreement, and/or, which undermines the confidence of the Board in your continued employment with the Company;

20.1.15 you cease to be eligible to work in the United Kingdom;

20.1.16 you demonstrate excessive or irresponsible use of alcohol that has a direct impact to your performance and execution of your duties and responsibilities; and/or

20.1.17 you illegally use or are in possession of drugs in or on the Company's premises

20.2 The rights of the Company under Clause 20.1 are without prejudice to any other rights that it might have at law to terminate the Employment or to accept any breach of this Agreement by you as having brought the Agreement to an end. Any delay by the Company in exercising any right to terminate summarily under Clause 20.1 will not constitute a waiver of that right.

20.3 In the event that the Company terminates your employment without Cause and other than under Clause 20.1 (and provided always that there has not been a Change-in-Control as set out in Clause 25) we shall, subject to Clause 20.4 and 20.6 below, pay the Agreed Sum to you in equal monthly instalments on the usual monthly payroll date, less any tax or other statutory deductions which we are obliged to deduct.

20.4 The payment of the Agreed Sum shall be conditional on and in consideration of:

(a) you complying with the obligations in Clause 23;

(b) you complying with and continuing to comply with your obligations relating to confidentiality, intellectual property and restrictive covenants as set out in Clauses 16, 17 and 24;

(c) Clause 24 applying notwithstanding that the Employment may, or without the payment of the Agreed Sum might, otherwise have been repudiated by us; and

(d) you executing such documents in a form reasonably acceptable to us as we may require, including but not limited to a full waiver of claims in a settlement agreement.

20.5 For the avoidance of doubt, the payment of the Agreed Sum shall not affect your entitlement to any of the following:

(e) any accrued but unpaid Basic Salary;

(f) any payment in lieu of accrued but unused holiday; or

(g) the reimbursement of expenses, provided that all claims for reimbursement are submitted within four weeks after the Termination Date,

in relation, in each case, to the period before the Termination Date.

20.6 In the event that you are offered a new employment, appointment or engagement during the period of payment of the Agreed Sum (i.e. within 12 months after the Termination Date), any unpaid portion of the Agreed Sum shall no longer be due or payable to you. You will notify the Company promptly upon the receipt of any offer of employment or engagement received before the end of the 12 month period referred to above, including the identity of the offeror.

20.7 In the event that the Company terminates your employment without Cause during 2024 (i.e. with your termination date being between 1 January 2024 and 31 December 2024) and other than under Clause 20.1 (and provided always that there has not been a Change-in-Control as set out in Clause 25) we shall, subject to Clause 20.4 and 20.6, increase and extend the period of payment of the Agreed Sum such that the Agreed Sum is equal to 18 months' Basic Salary paid over 18 months, with the period of time referred to in clause 20.6 also being increased to 18 months. This revised Agreed Sum is still payable to you in equal monthly instalments on the usual monthly payroll date, less any tax or other statutory deductions which we are obliged to deduct. The Chief Executive Officer may in their sole and absolute discretion elect to release you from the extension by submission of written notice to you and the Chief Legal Officer, in which case you would remain entitled to the original Agreed Sum as set out in clause 20.3 (subject always to the remaining terms of this clause 20).

21 Garden leave

21.1 The Company is under no obligation to vest in or assign to you any powers or duties or to provide any work for you to do and at any time after you or the Company has given notice to terminate the Employment, the Company may in its absolute discretion, by written notice, place you on Garden Leave for all or any part(s) of the remainder of the Employment.

21.2 During any period of Garden Leave:

21.2.1 the Company will be under no obligation to provide any work to you or vest any powers in you and may employ or appoint any other person to carry out your duties and functions and exercise your powers under this Agreement;

21.2.2 the Company may revoke any powers you hold on behalf of the Company and/or any Group Company and may require you to carry out alternative duties or only to perform specific duties and/or to carry our special projects at such locations (including your home) as the Company may require;

21.2.3 the Company will be entitled at any time to announce to employees, customers, suppliers, agents and any other business contacts and to any other third party that you have been given notice of termination or have resigned (as the case may be);

21.2.4 you must not, without the prior written consent of the Chief Executive Officer, attend your normal place of work or any premises of the Company or any Group Company;

21.2.5 you must not have any contact or communication with any adviser, agent, client, consultant, customer, director, distributor, employee, officer, shareholder, supplier or other business contact of the Company or any Group Company or make any announcement (whether directly or indirectly) in relation to the termination of your employment or otherwise;

21.2.6 you must keep the Company informed of your whereabouts and how you can be contacted during each working day (except during any period expressly booked and taken as holiday leave in accordance with the Company's prevailing holiday policy);

21.2.7 you will remain an employee of the Company and continue to owe the Company all the duties of employment, including the duty of fidelity and any fiduciary duties and you will remain bound by the terms of this Agreement;

21.2.8 you will continue to be paid at the rate to which you would be entitled were you not on garden leave and to receive contractual benefits in the usual way subject to the terms of any benefit scheme;

21.2.9 you will be deemed to have taken all your accrued but unused holiday entitlement and, notwithstanding Clause 13.5, you will not be entitled to any pay in lieu of holiday entitlement on the termination of the Employment;

21.2.10 you will not be entitled to become employed by, do work or perform services for any other person or undertaking**;** and

21.2.11 you must effect orderly handover of work as required.

22 Corporate reconstruction or amalgamation

22.1 If the Employment is terminated by reason of the liquidation of the Company for the purpose of reconstruction or amalgamation, or as part of any arrangement for the amalgamation of the undertaking of the Company not involving liquidation, and you are offered and refuse employment with any concern or undertaking resulting from such reconstruction or amalgamation (as the case may be), or a subsidiary undertaking of any such concern, undertaking or company, on terms and conditions no less favourable overall to you than the terms and conditions of this Agreement, then you will have no claim in respect of the termination of the Employment.

23 Your obligations on termination

23.1 On the Termination Date, or at the Company's request at any time after that date, or upon either party giving notice to the other to terminate the Employment in accordance with the terms of this Agreement, or on the Company exercising its right under Clause 21.1 above to place you on Garden Leave, in addition to any other obligations set out elsewhere in this Agreement, you will:

23.1.1 irretrievably delete any information relating to the business of the Company that you have stored on any computer and communication systems, electronic or digital storage or memory device which does not belong to the Company, including (to the extent technically practicable) from such systems and data storage services provided by third parties, and comply with the requirements of the Company's InfoSec Policy that apply on termination; and

23.1.2 provide a signed statement to the Company confirming that you have complied fully with your obligations under Clause 23.1.1 and, on request, provide the Company with such reasonable evidence of compliance as may be required and permit a representative of the Company to inspect any relevant electronic or digital storage or memory device in order to confirm your compliance with your obligations under Clause 23.1.1.

23.2 You will on termination of the Employment (however arising), and on request at any time and from time to time, immediately deliver up to the Company or its authorised representative all keys, passes, credit or charge cards, Confidential Information, and other documents, books, records, files, manuals, papers, computer disks, tapes or other software storage media and any other property of the Company or any Group Company of whatsoever nature which is in your possession or under your control and you will not, without the written consent of the Chief Executive Officer, retain any copies.

24 Post-termination obligations

24.1 In order to protect the Confidential Information, trade secrets and business connections of the Company and each Group Company to which you have access as a result of your employment, you covenant with the Company that you will not (without the previous consent in writing of the Company) for the period of 12 months immediately after the date of the termination of your employment (or, where the Company exercises its rights under clause 21.1 to require you to remain at home, the last day on which you were required to work), whether as principal or agent, and whether alone or jointly with, or as a director, manager, partner, shareholder, employee or consultant of any other person, directly or indirectly:

24.1.1 carry on, or be engaged, concerned or interested in any business which is similar to and competes with any business with which you were materially concerned during the 12 months before the Termination Date and which is being carried on by the Company or by any Group Company (which includes, but is not limited to, any business engaged in, directly or indirectly, the design, development or exploitation of Internet gaming software or Internet gaming systems) at the Termination Date (or which the Company or and Group Company intends to carry on within the period of 12 months immediately after the Termination Date). Nothing in this Clause 24.1.1 shall prevent you from being engaged in, owning or in any other way having interests in, including as a board member, consultant, etc., in such a capacity that would have no material risk of conscious or subconscious transmission or use of the Company's Confidential Information;

24.1.2 negotiate with, solicit business from or endeavour to entice away from the Company or any Group Company the business of any person, firm, company or organisation who is and has been a customer, client or agent of or supplier to (or who had regular business dealings with) the Company or with any Group Company during the period of 12 months immediately preceding the Termination Date and with whom you were materially concerned during that period provided that this restriction will be limited to activities by you which will involve offering or providing services similar to those which you will have provided during your employment;

24.1.3 undertake to provide in competition with the Company or any Group Company any service or supply any product similar to those with which you were concerned in the course of your employment during the period of 12 months immediately preceding the Termination Date to or for any person who is or was a customer, client or agent of or supplier to (or who had regular business dealings with) the Company or any other Group Company during the period of 12 months immediately preceding the Termination Date and with whom you were materially concerned during that period;

24.1.4 interfere with, solicit or endeavour to entice away from the Company or any Group Company any employee with whom you personally dealt with to any material extent and who to your knowledge is, and within the period of 12 months immediately preceding the Termination Date had been

(a) involved directly in the development of Internet gaming software or Internet gaming systems or part; or

(b) part of the senior management of the Company or any other Group Company; or

(c) who was privy to confidential information of the Company or Group Company;

24.1.5 negotiate with, solicit business from or endeavour to entice away from the Company or any Group Company the business of any person, firm, company or organisation with whom the Company or any Group Company has had any negotiations or material discussions with a view to doing business with the Company or any Group Company for the supply of goods or services by the Company during the period of 12 months immediately preceding the Termination Date and with which negotiations or material discussions you have been materially involved.

24.2 For the avoidance of doubt, none of the restrictions contained in Clause 24.1 shall prohibit any activities by you which are not in direct or indirect competition with any business being carried on by the Company or any Group Company at the Termination Date.

24.3 Nothing in clause 16 or 17.1 shall preclude you from holding (directly or through nominees) investments listed on the Official List of London Stock Exchange plc or in respect of which dealing takes place in the Alternative Investment Market or any recognised stock exchange as long as you do not hold more than 3 per cent of the issued shares or other securities of any class of any one company.

24.4 At no time after the Termination Date shall you directly or indirectly represent yourself as being interested in or employed by or in any way connected with the Company or any Group Company, other than as a former employee of the Company.

24.5 If you apply for or are offered a new employment, appointment or engagement during employment or before the expiry of the 12 month period referred to at Clause 24.1 above, before entering into any related contract you will bring the terms of clause 17. (Restrictions after employment) and clause 18. (Confidential information) to the attention of a third party proposing to directly or indirectly employ, appoint or engage you. You will notify the Company promptly upon the receipt of any offer of employment received during employment or before the expiry of the 12 month period referred to at Clause 24.1 above, including the identity of the offeror.

24.6 You will at the request and cost of the Company enter into direct undertakings with the Company and/or any Group Company which correspond to the restrictions in clause 17.1, or which are less onerous only to the extent necessary (in the opinion of the Company or its legal advisors) to ensure that such undertakings are valid and enforceable.

24.7 You agree that, having regard to all the circumstances, the restrictions contained in this clause are reasonable and necessary for the protection of the Company or of any Group Company and that they do not bear harshly upon you and the parties agree that:

24.7.1 each restriction shall be read and construed independently of the other restrictions so that if one or more are found to be void or unenforceable as an unreasonable restraint of trade or for any other reason the remaining restrictions shall not be affected; and

24.7.2 if any restriction is found to be void but would be valid and enforceable if some part of it were deleted, that restriction shall apply with such deletion as may be necessary to make it valid and enforceable.

24.8 Group Company means any company which is for the time being a subsidiary or holding company of the Company and any subsidiary of any such holding company and for the purposes of this Agreement the terms subsidiary and holding company shall have the meanings ascribed to them by section 1159 Companies Act 2006 or in any subordinate legislation made under the Companies Act 2006.

25 Change of Control

25.1 Not in limitation of the forgoing, upon a Change-in-Control, you shall be entitled to the additional payments set forth in this clause incremental to any other compensation due to you under this Agreement, subject to you within 30 days of the Termination Date, or as otherwise agreed to by the Company, executing the release of all of your claims against the Company and any Group Company, and any if its or their directors, officers or employees, in any jurisdiction, by way of a settlement agreement in a form that is satisfactory to the Company. The Company is not obligated to make any payments to you under this Clause 25 if you fail to execute and return such release without revocation, provided that the Company must first notify you or your estate of the failure to deliver such general release and to provide you with 10 business days to cure such failure, or in the vent of death, provide your estate with 30 days to cure such failure.

25.2 If a Change-in-Control occurs, the Company shall pay to you a transaction bonus in an amount equal to one hundred percent (100%) of your then-current Basic Salary (the '**Transaction Bonus**'). The Company shall pay you the Transaction Bonus in a lump sum within ten (10) days following the Change-in-Control, less deductions for tax and NICs.

25.3 Notwithstanding anything to the contrary in this Agreement, an Award Agreement, or otherwise, if your employment is terminated by the Company without Cause or by you for Good Reason within three (3) months before or two (2) years after a Change-in-Control occurs, all of your Equity Awards shall accelerate and become fully vested, non-forfeitable, and exercisable, regardless of any limitation with respect to time, performance, vesting, or other restrictions.

25.4 If your employment is terminated by the Company without Cause or by you for Good Reason within three (3) months before or two (2) years after a Change-in-Control occurs, then the Company shall (i) provide to you a cash severance payment in an amount equal to one and one-half (1.5) times the sum of your then-current Basic Salary, payable in a lump sum within ten (10) calendar days of the Termination Date; (ii) a pro rata bonus payment in an amount equal to the Bonus for the year in which the Termination Date occurs multiplied by a fraction the numerator of which is the number of days in the applicable year through the Termination Date and the denominator of which is 365, with such amount payable in a lump sum on the date in which the Company pays bonuses to other employees for the applicable year (the '**Pro Rata Bonus**'). In such an event, and for the avoidance of doubt, you shall not be entitled to payment of the Agreed Sum as set out in Clause 20.

26 Indemnification

26.1 The Company shall, to the maximum extent permitted by law, indemnify, defend, and you hold harmless from and against claims, losses, damages, liabilities, actions, judgments, court costs, and legal and other expenses arising as a result of your employment with the Company, and for any acts, omissions, and decisions made in good faith while performing services for the Company. To the same extent, the Company will pay, and subject to any legal limitations, advance all expenses, including reasonable attorneys' fees, expenses, disbursements, and costs of judgments, fines and amounts of settlements, actually and necessarily incurred by you in connection with the defense of any action, suit or proceeding and in connection with any appeal, which has been brought against you by reason of your service as an officer or agent of the Company. The Company will, upon the Company's sole option, assume the defense and directly bear all of the expense of any action or proceedings that may arise for which you are entitled to indemnification pursuant to this clause. The Company's obligations to indemnify and hold you harmless as provided herein shall survive the termination of this Agreement indefinitely.

27 Appointment of attorney

You irrevocably and by way of security appoint any director for the time being of the Company to be your attorney for the purposes of the Powers of Attorney Act 1971, with authority to do all such things and to execute all such documents in your name and on your behalf, as may be necessary to secure that the full benefit and advantage of the rights arising under Clauses 17 (Intellectual property), 23 (your obligations on termination) and 24 (Post-termination obligations) are obtained by the Company (or, where appropriate, any Group Company) and a letter signed by any director or secretary of the Company certifying that any thing or any document has been done or executed within the authority conferred by this clause will be conclusive evidence of it.

28 Continuation of agreement

28.1 The expiration or termination of this Agreement (howsoever caused) will:

28.1.1 not operate to affect such of the provisions of this Agreement which are expressed to operate or have effect after that expiry or termination (including Clauses 16, 17, 23 and 24); and

28.1.2 be without prejudice to any right of action which has accrued to you or the Company at the time of such expiration or termination and to any right of action of you or the Company in respect of any breach of this Agreement by the other party (whether such breach occurs prior to or subsequent to such expiration or termination).

29 Notices

29.1 Any notice, request, demand or other communication to be given under this Agreement ('**Notices**') will be deemed to be duly given by either party if in the English language and:

29.1.1 sent by first class post addressed to the other party at (in the case of a Notice to the Company) its registered office for the time being or (in the case of a Notice to you) your last known address; or

29.1.2 given personally to (in the case of a Notice to the Company) the Chief Executive Officer of the Company or (in the case of a Notice to you) to you; or

29.1.3 sent by email (in the case of a Notice to the Company) to the company email address of the Chief Executive Officer and (in the case of a Notice to you) to your email address as notified in writing to the Chief Executive Officer from time to time.

29.2 Any such Notice will be deemed to have been given, if sent by first class post, 48 hours (or, if sent to or from a place outside the United Kingdom, seven days) after the time of posting and, in proving service, it will be sufficient to prove that the envelope containing such Notice was properly addressed, stamped and put in the post and, if sent by email, 24 hours after sending.

30 Third party rights

No term of this Agreement will be enforceable by a third party in their own right by virtue of section 1(1) of the Contracts (Rights of Third Parties) Act 1999 and for the avoidance of doubt this Agreement may be rescinded or varied (whether in whole or in part) by agreement between you and the Company without the consent of any third party.

31 Status of Agreement

31.1 This Agreement contains the entire agreement between the parties relating to its subject matter and is in substitution for all previous agreements and arrangements (whether written or oral, express or implied) between you and the Company or any Group Company. Any such agreements and arrangements will be deemed to have been terminated by mutual consent as from the Commencement Date.

31.2 There are no collective agreements in force that directly affect the terms and conditions of the Employment.

31.3 The Company reserves the right to make reasonable changes to any of your terms and conditions of employment. Changes to your terms and conditions of employment will be notified to you in writing before the date upon which they come into force. No other variation to this Agreement, or waiver of any right or obligation under it, will be effective unless made by the parties and evidenced in writing and signed by or on or behalf of the parties and expressed to be such a variation or waiver. In entering into this Agreement neither party has relied on any statement, representation or promise not expressly contained in it, provided that nothing in this Clause 31 will have effect to exclude the liability of either party for fraud or fraudulent misrepresentation.

31.4 The information contained in this Agreement constitutes a written statement of the particulars of the Employment in compliance with section 1 of the Employment Rights Act 1996.

31.5 In the event of one or more of the provisions of this Agreement being invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

31.6 You acknowledge that you have had opportunity to receive legal advice on the terms of this Agreement, including in particular Clauses 16, 17, 21 and 24.

32 Applicable law and jurisdiction

The validity, construction and performance of this Agreement, and any claim, dispute or matter arising under or in connection with it or its enforceability, will be governed by and construed in accordance with the law of England and Wales. Each party irrevocably submits to the jurisdiction of the courts of England and Wales over any claim, dispute or matter arising under or in connection with this Agreement or its enforceability or the legal relationships established by this Agreement.

EXECUTED by the parties on the date above.

SIGNED AS A DEED
by GAN (UK) Limited
acting by
Dermot Smurfit, a director,

in the presence of this witness:

/s/ Dermot Smurfit
(Signature)
Director
(Name)
(Address)(Signature of witness)

SIGNED AS A DEED
by Giuseppe Gardali

in the presence of this witness:

/s/ Giuseppe Gardali
(Signature)

(Name)
(Address)(Signature of witness)

Exhibit 10.19

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made as of September 26, 2023 ("**Effective Date**") between Seamus M. McGill ("**Employee**") and GAN Nevada, Inc., including its Affiliates (collectively, the "**Company**"). Employee and Company shall be referred to collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, the Parties previously executed one or more letters of appointment, employment agreements, consulting agreements, letters, and if applicable, amendments thereto (collectively, the "**Prior Agreement**");

WHEREAS, the Company desires to continue to engage Employee on the terms set forth herein;

WHEREAS, the Company may provide Employee with the Company's Confidential Information and may also provide the opportunity to develop relationships with the Company's business contacts;

WHEREAS, Employee agrees that if Employee receives the foregoing, it may give Employee an unfair competitive advantage if Employee's activities during employment, and for a reasonable period thereafter, were not restricted as provided for in this Agreement; and

WHEREAS, the Parties intend for this Agreement to supersede and replace any agreement, offer letter, promise, representation, or understanding between the Parties regarding Employee's employment with the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the adequacy and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **At-Will Employment.** Employee's employment with the Company is, and has always been, at-will. To that end, Employee's employment with the Company is not for a specified term. Employee has the right to resign from employment with the Company at any time, with or without notice to the Company with or without cause. The Company also is free to terminate Employee's employment with the Company at any time, with or without notice to Employee and with or without cause.

2. **Position and Duties.**

a. ***Duties***. The Company hereby employs Employee as Interim Chief Executive Officer (an exempt position). During the Employee's employment with Company ("**Employment**"), Employee shall report to the Company's Board of Directors (the "**Supervisor**") identified in the job description ("**Job Description**") attached hereto as **Exhibit A**. Employee's duties, authority and responsibilities shall include, but will not be limited to, those identified in the Job Description and those which are considered customary and commensurate with Employee's position. Employee's Job Description and duties, authority, and responsibilities shall be determined by the Supervisor and may be adjusted from time to time by the Supervisor. In the event that the Job Description language conflicts with this Agreement, this Agreement shall govern.

b. ***Devotion of Time*.** During Employee's Employment, Employee shall devote substantially all of Employee's business time and attention to the performance of Employee's duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise whether or not it would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Supervisor.

3. **Place of Performance.** The principal place of Employee's employment shall be Las Vegas, Nevada, U.S.A ("**Principal Place of Employment**"), provided that Employee may be required to travel on Company business during Employee's Employment with the Company. If the Company requests Employee to relocate more than 30 miles from the Principal Place of Employment, and if Employee agrees to such request, then the Company will pay for Employee's reasonable and necessary costs of relocation (*e.g.,* moving expenses).

4. **Compensation.**

a. ***Base Salary***. The Company shall pay Employee a salary equivalent to an annual salary of Five Hundred Thousand US Dollars ($500,000), which the Company shall pay to Employee in accordance with the Company's customary payroll practices and applicable wage payment laws. Employee's salary set forth in this section and as in effect from time to time, is hereinafter referred to as "**Base Salary**."

b. ***Bonus***. The Company offers an annual bonus ("**Bonus**") for which certain Employees are eligible. The Bonus is not guaranteed to the Employee. In any given year, it is at the Company's discretion whether the Bonus is paid, and the Company reserves the right to amend the Bonus calculation, eligibility, payment timing and any other parameters pertaining to the Bonus from time to time.

i. Employee is eligible for a maximum Bonus amount, if any, equal in value of up to 100% of Employee's Base Salary actually paid to Employee for each calendar year the Employee is actively employed with the Company. The Bonus amount is based 50% upon the Company's performance and 50% upon the Employee meeting performance objectives. The performance objectives are defined by the Supervisor in consultation with the Employee.

ii. The Bonus, if any, shall be paid within 90 calendar days following the end of the Company's applicable fiscal year.

iii. In order to receive a Bonus, Employee must be employed by the Company on the date the Bonus is paid and must be materially in compliance with this Agreement.

iv. Notwithstanding the forgoing, and with the approval of the Board of Directors, the Bonus may be paid through the issuance of restricted stock subject to the terms of an Award Agreement (as defined below) in any year at the Company's sole determination. Any restricted stock issued in lieu of a cash Bonus are immediately vested.

c. ***Initial Equity Issuance.*** Subject to approval from the Board of Directors, the Company will grant Employee a one-time initial equity award ("**Initial Equity Award**") of two hundred seventy five thousand (275,000) shares of the Company's common stock, which 25% of the Initial Equity Award will vest on the anniversary date of the award. The Initial Equity Award will be issued within a reasonable time period following the full execution of this Agreement. The Company has established a 2020 Equity Incentive Plan (the "**Plan**") that was adopted on or about May 4, 2020, which is attached hereto as **Exhibit B** and incorporated by reference. Employee shall be eligible to receive, but not guaranteed, equity awards under the Plan ("**Equity Awards**") pursuant to form agreements that describe, among other things, the vesting schedule, strike price (if applicable), expiration date, and other terms, all of which are incorporated herein by reference (each an "**Award Agreement**"). All other terms and conditions of the Initial Equity Award will be reflected in the applicable Award Agreement.

d. ***Expenses.*** Employee shall be entitled to reimbursement for reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by Employee in connection with the performance of Employee's duties hereunder, provided that, Employee complies with the Company's expense reimbursement policies and procedures then in effect. In addition to the forgoing, if applicable, Employee shall be entitled to reimbursement of all gaming license fees and expenses related to the preparation and submission of gaming license applications that may be required by Employee's position with the Company (collectively, "**Business Expenses**").

e. ***Benefits***. Employee shall be entitled to participate in all of the employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**"), to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or cancel any of the Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plans and applicable law. Employee may request a copy of the Company's current Employee Benefit Plans at any time, including prior to executing this Employment Agreement.

f. ***Vacation***. During Employee's Employment, Employee shall be entitled to an unlimited number of vacation days per calendar year. While the number of vacation days are unlimited, the Employee must request and receive approval for vacation days by the Supervisor or a designee of the Supervisor. For the avoidance of doubt, unlimited vacation days are not accrued and thereby the Employee will not receive payment of vacation days upon termination of employment with the Company. Employee shall receive other leaves in accordance with applicable law and the Company's policies, as such policies may exist from time to time.

g. ***Taxes and Withholdings***. All amounts payable to Employee under this section shall be subject to all required federal, state, and local withholdings, payroll deductions, and taxes and requirements under applicable laws.

5. **Definitions**. For purpose of this Agreement,

a. "**Affiliate**" means, with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person.

b. "**Cause**" means any of the following conduct by Employee:

i. the failure to successfully pass the Company's background screening, which may include, but is not limited to, criminal and financial background investigations, and verification of prior employment, education, degrees, certifications, training, and other credentials;

ii. the conviction or admission, including a plea of *nolo contendre*, of a felony, or the conviction or admission of any other act or omission involving material dishonesty or fraud with respect to the Company or any of its Subsidiaries or Affiliates;

iii. the failure to perform material duties of the position held by Employee, or any other material breach of this Agreement, which breach remains uncured for a period of 10 days after the Company's written notice to Employee describing such breach;

iv. an act of dishonesty, fraud, misappropriation, embezzlement, breach of trust, or intentional misconduct with respect to the Company or any of its Subsidiaries or Affiliates;

v. the illegal use or possession of drugs in or on the Company's premises;

vi. excessive or irresponsible use of alcohol that has a direct impact to the Employee's performance and execution of the Employee's duties and responsibilities;

vii. intentional and willful misconduct that may subject the Company to criminal or civil liability;

viii. material or repeated failure to comply with the Company's policies and procedures;

ix. failure to cooperate, or timely cooperate, in any investigation by the Company or with any investigation, inquiry, hearings, or similar proceedings by any governmental authority having jurisdiction over the Company or its Subsidiaries or Affiliates;

x. being found unsuitable for, or having been denied, a gaming license, or having such license revoked by a gaming regulatory authority in any jurisdiction in which the Company or any of its subsidiaries or affiliates conducts operations;

xi. willful or material misrepresentation to the Company, or

xii. breach of any of the material terms of this Agreement.

c. "**Change-in-Control**" means and includes any of the following occurrences:

i. Any Person, including a group as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, becomes the beneficial owner of stock of the Company with respect to which fifty percent (50%) or more of the total number of votes for the election of the Board of Directors may be cast;

ii. As a result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets or contested election, or combination of the foregoing, persons who were directors of the Company just prior to such event shall cease to constitute a majority of the Board of Directors;

iii. The consummation of a sale or other disposition of all or substantially all the assets of the Company; or

iv. A tender offer or exchange offer is made and consummated for the ownership of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities.

A transaction shall not constitute a Change-in-Control if its sole purpose is to change the jurisdiction of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

d. "**Claim**" or "**Claims**" means any allegation, dispute, claim, causes of action, complaint, grievance, charge, action, petition, or demand, whether or not filed, including any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative.

e. "**Disability**" means the disability of Employee caused by any physical or mental injury, illness, or incapacity, as a result of which Employee is unable to effectively perform the essential functions of Employee's duties for a continuous period of more than 90 days or for 120 days (whether or not continuous) in any 240-day period, as determined by an independent, legally qualified medical doctor selected by the Company's health or disability insurer.

f. "**Good Reason**" means without Employee's written consent: (i) any material reduction of Employee's benefits, unless such reduction is in connection with a general reduction of benefits across the Company or successor company; (ii) any material reduction in Employee's compensation, unless such reduction is in connection with a general reduction of compensation across the Company; or (iii) any failure to pay timely and completely any Base Salary or Bonus owed to Employee.

g. "**Person**" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity, or any department, agency or political subdivision thereof.

h. "**Subsidiary**" means with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association, or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association, or other business entity. For purposes hereof, references to a "Subsidiary" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

i. "**Termination Date**" means:

i. if Employee's employment hereunder terminates on account of Employee's death, the date of Employee's death;

ii. if Employee's employment hereunder is terminated on account of Employee's Disability, the date that it is determined that Employee has a Disability;

iii. if the Company terminates Employee's employment hereunder for Cause, the date the written notice of termination is delivered to Employee;

iv. if the Company terminates Employee's employment hereunder without Cause, the date specified in the written notice of termination delivered to Employee; and

v. if Employee terminates his employment hereunder with or without Good Reason, the date specified in Employee's written notice of termination delivered to the Company.

6. **Indemnification**. The Company shall, to the maximum extent permitted by law, indemnify, defend, and hold harmless Employee from and against Claims, losses, damages, liabilities, actions, judgments, court costs, and legal and other expenses arising as a result of Employee's Employment with the Company, and for any acts, omissions, and decisions made in good faith while performing services for the Company. To the same extent, the Company will pay, and subject to any legal limitations, advance all expenses, including reasonable attorneys' fees, expenses, disbursements, and costs of judgments, fines and amounts of settlements, actually and necessarily incurred by Employee in connection with the defense of any action, suit or proceeding and in connection with any appeal, which has been brought against Employee by reason of his service as an officer or agent of the Company. The Company will, upon the Company's sole option, assume the defense and directly bear all of the expense of any action or proceedings that may arise for which Employee is entitled to indemnification pursuant to this Section. The Company's obligations to indemnify and hold Employee harmless as provided herein shall survive the termination of this Agreement indefinitely.

7. **Termination of Employment and Severance**. Upon termination of Employee's employment with the Company for any reason, Employee shall receive (i) all earned, but unpaid, Base Salary as of the Termination Date; (ii) all earned and vested Equity Awards as of the Termination Date; and (iii) payment of any outstanding Business Expenses submitted to the Company in accordance with the Company's policies and procedures (collectively, "**Accrued Payments**"). The Company shall pay Employee the Accrued Payments pursuant to the timing requirements set forth in applicable law.

a. *Termination for Cause*. The Company may, at any time and without notice, terminate Employee's employment with the Company for Cause. In the event the Company terminates Employee's employment for Cause, the Company shall provide only Accrued Payments to Employee; the Company shall not provide Employee any unearned Bonus or unvested Equity Awards.

b. *Voluntary Termination (Other Than for Good Reason)*. Employee may, at any time and without notice, voluntarily terminate Employee's employment with the Company without Good Reason. In the event Employee terminates Employee's employment with the Company on any basis other than for Good Reason, the Company shall provide only Accrued Payments to Employee; the Company shall not provide Employee any unearned Bonus or unvested Equity Awards.

c. *Termination for Good Reason*. Employee may voluntarily terminate employment with the Company with Good Reason. If Employee provides written notice to the Supervisor within 30 days after the event or condition constituting Good Reason arises, and the Company fails to remedy the event or condition (if capable of curing) within 30 days after the written notice is provided, the Company shall provide to Employee: (i) Accrued Payments; (ii) a cash severance payment in an amount equal to 12 months of Employee's then-current Base Salary, payable in a lump sum within 10 calendar days following the applicable revocation period of the release referenced in Section 7(e)(ii) herein; (iii) notwithstanding anything to the contrary in this Agreement, any Award Agreement, or elsewhere, Employee's unvested Equity Awards will accelerate and become vested, non-forfeitable, and exercisable on a pro rata basis as of the Termination Date, regardless of any limitation with respect to time, performance, vesting, or other restrictions, based on the portion of the vesting period of the applicable Equity Award during which Employee was an active employee of the Company (the "**Pro Rata Acceleration**"); and (iv) on a monthly basis, for a period of twelve (12) months, the Company's monthly share of premiums required to continue Employee's and Employee's dependents group health insurance benefits (medical, dental, and vision) after the Termination Date under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**") and subject to the Employee's timely election of such coverage; provided that the Company shall cease paying such COBRA premiums on the day Employee begins employment with another company, entity, or Person following the Termination Date and is eligible to receive similar benefits.

d. *Termination Without Cause; Termination Due to Death or Disability*. The Company may, at any time and without notice, terminate Employee's employment with the Company without Cause. In the event the Company terminates Employee's employment without Cause, the Company shall provide to Employee: (i) Accrued Payments; (ii) a cash severance payment in an amount equal to 12 months of Employee's then-current Base Salary, payable in a lump sum within 10 calendar days following the Termination Date; (iii) the Pro Rata Acceleration; and (iv) on a monthly basis, for a period of twelve (12) months, the Company's monthly share of premiums required to continue Employee's and Employee's dependents group health insurance benefits (medical, dental, and vision) after the Termination Date under the applicable provisions of COBRA and subject to the Employee's timely election of such coverage; provided that the Company shall cease paying such COBRA premiums on the day Employee begins employment with another company, entity, or Person following the Termination Date and is eligible to receive similar benefits.

e. *Conditions of Payments*. Excluding Accrued Payments, all payments set forth in this section that are not otherwise required by law shall be payable so long as:

i. Employee complies with this Agreement, including, but not limited to, Section 9 through Section 14; and

ii. Within 30 days of the Termination Date, or as otherwise agreed to by the Company and Employee, Employee (or Employee's beneficiary or estate) delivers to the Company and does not revoke (under the terms of applicable law) a general release of all of Employee's Claims against the Company, the Company's Affiliates, and the Company's Subsidiaries, substantially in the form attached hereto as **Exhibit C**; provided that, if necessary, such general release may be updated and revised by the Company to comply with applicable law and context to achieve its intent. The Company is not obligated to make any payments to Employee other than Accrued Payments in the event of Employee's failure to execute and return such release without revocation; provided that, the Company must first notify Employee or Employee's estate of the failure to deliver such general release and provide (x) to Employee 10 business days to cure such failure, or (y) in the event of death, to Employee's estate 30 days to cure such failure.

8. **Change-in-Control Payments**. Not in limitation of the forgoing, upon a Change-in-Control, Employee shall be entitled to the additional payments set forth in this section set forth in this section incremental to any other compensation due to Employee under this Agreement, subject to Employee executing the release referenced in Section 7(e)(ii) herein.

a. ***Transaction Bonus***. If a Change-in-Control occurs, the Company shall pay Employee a transaction bonus in an amount equal to one hundred percent (100%) of Employee's then-current Base Salary (the "Transaction Bonus"). The Company shall pay Employee the Transaction Bonus in a lump sum within ten (10) days following the Change-in-Control.

b. ***Equity Acceleration***. Notwithstanding anything to the contrary in this Agreement, an Award Agreement, or otherwise, if Employee's employment is terminated by the Company without Cause or by Employee for Good Reason within three (3) months before or two (2) years after a Change-in-Control occurs, all of Employee's Equity Awards shall accelerate and become fully vested, non-forfeitable, and exercisable, regardless of any limitation with respect to time, performance, vesting, or other restrictions.

9. **Non-Disclosure and Non-Use of Confidentiality, Proprietary, and Trade Secret Information.**

a. *Protection Against Disclosure*. Employee acknowledges that, during Employee's employment with the Company, Employee will gain knowledge of and access to certain Confidential Information (as defined below in Section 9(e)). Employee agrees to undertake a fiduciary obligation to protect against the disclosure and use of any Confidential Information. Both during and after Employee's Employment, Employee shall not disclose, communicate, divulge, or allow another Person to use to their personal, competitive, or economic advantage any Confidential Information, except when Employee has received prior written consent from the Supervisor or as otherwise required by law or by judicial or administrative process or order, and in that case only after complying with Section 9(b) below.

b. *Notifying the Company*. If a Person not a Party to this Agreement requests or demands that Employee disclose Confidential Information or produce documents containing Confidential Information, Employee will, to the extent permitted by law, immediately notify the Supervisor and will provide the Company a reasonable opportunity to respond to such request or demand before Employee responds to the request or demand.

c. *Defend Trade Secrets Act Notice*. Notwithstanding the foregoing nondisclosure obligations, pursuant to 18 U.S.C. § 1833(b), Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

d. *Disclosure to Government Agencies*. Employee understands and acknowledges that nothing contained in this Agreement limits Employee's ability to file a charge or complaint with the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission, including state or tribal gaming regulators (individually, "Government Agency"; collectively, "Government Agencies"). Employee further understands and acknowledges that this Agreement does not limit Employee's ability to communicate with any Government Agencies or to otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

e. *Definition of Confidential Information*. As used herein, "Confidential Information" means any Company confidential, proprietary, or trade secrets information, including, but not limited to, technical data, know-how, research, product plans and developments, prototypes, products, services, client lists, prospective clients list, client or potential client contact information, proposals, client purchasing practices, prices and pricing methodology, cost information, terms and conditions of business relationships with clients, client research and other needs, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, distribution and sales methods and systems, sales and profit figures, financial information, business information, operation information, plans, personnel information, as well as reports and other business information that Employee learns of, obtains, or that is disclosed to Employee during Employee's Employment.

f. The restrictions provided for in this section shall not be construed to prohibit the use of general knowledge and experience customarily relied upon in Employee's trade or profession that is not specific to the particular business matters of the Company (such as its technology or customers), nor shall it be construed to be a form of covenant not to compete (such a construction would be contrary to the intent of the parties). Notwithstanding the foregoing, the unauthorized disclosure of a particular item of Confidential Information to a competitor will qualify as prohibited misappropriation of the Confidential Information. Employee acknowledges and agrees that the Confidential Information is the property of Company and a special and unique asset of the Company. The Confidential Information derives independent economic value, actual or potential, from not being generally known by the public or by other persons or entities who can obtain economic value from its use or disclosure, and thus shall be protected.

g. *Return of Company Property*. Upon any termination of this Agreement, termination of Employee's employment, or any request by the Company, Employee shall immediately return all Company property, documents, files, records, stored data, emails, pictures, videos, laptops, computers, phones, equipment, and Confidential Information to Company.

10. **Inventions and Assignments.**

a. *Assignment to the Company*. Any and all products, writings, inventions, improvements, processes, formulas, procedures, and techniques which Employee may make, conceive, discover, or develop, either solely or jointly with any other person, at any time when Employee is an employee of the Company, whether or not during working hours and whether or not at the request or upon the suggestion of the Company, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company. Employee shall make full disclosure to the Company of all such products, writings, inventions, improvements, processes, procedures, formula, and techniques and shall do everything necessary or desirable to vest the absolute title thereto in the Company. Employee shall write and prepare all specifications, formulas, and procedures regarding such products, inventions, improvements, processes, procedures, and techniques and otherwise aid and assist the Company so that the Company can prepare and present applications for copyright or patent letters therefore and can secure such copyright or patent letters wherever possible, as well as reissues, renewals, and extensions thereof, and can obtain the records title to such copyright or patents so that the Company shall be the sole and absolute owner thereof in all countries in which it may desire to have copyright or patent protection. Employee shall not be entitled to any additional or special compensation or reimbursement regarding any and all such writings, inventions, improvements, formulas, processes, procedures and techniques.

b. *California Labor Code Section 2872 Notice*. For Employees with a Personal Place of Employment within California, notwithstanding the foregoing rights and obligations, and pursuant to California Labor Code section 2872, a Company invention shall not include inventions which qualifies fully under the provisions of California Labor Code section 2870 (attached as **Exhibit D**), including any idea or invention which is developed entirely on Employee's own time without using Company's equipment, supplies, facilities, or trade secrets, and which is not related to the Company's business (either actual or demonstrably anticipated), and which does not result from work performed for the Company.

11. **Additional Restrictive Covenants.** Employee understands that the nature of Employee's position gives Employee access to and knowledge of Confidential Information and places him or her in a position of trust and confidence with the Company. Employee further understands and acknowledges that the Company's ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by Employee is likely to result in unfair or unlawful competitive activity. Employee acknowledges that the Company has expended, and will continue to expend, substantial time, money and effort in developing its Confidential Information; Employee may in the course of Employee's employment be personally entrusted with and exposed to the Company's Confidential Information and may have access to the Company's customers; and the Company would suffer great loss and irreparable harm if Employee were to enter into competition with the Company. Therefore, accordingly, Employee acknowledges and agrees to the restrictive covenants set forth in this section.

a. *Non-Competition*. Employee agrees that during Employee's employment with the Company, and for one (1) year following the Termination Date (the "**Covenant Period**"), Employee will not directly or through others, whether as an owner, director, officer, manager, consultant or employee: (i) provide services for the benefit of any Restricted Business (as defined below) within the Territory (as defined below) that are the same or similar in function or purpose to those Employee provided to the Company during the last year of Employee's employment with the Company, or such shorter period of time as Employee was employed by the Company ("**Look Back Period**"); or (ii) take on any other responsibilities for a Restricted Business that would involve the probable use or disclosure of Confidential Information or the conversion of Covered Customers (as defined below) to the benefit of a Competing Business or detriment of the Company. For purposes of this Agreement, "**Restricted Business**" means those entities or persons primarily engaged in the business of developing, marketing, selling, licensing, and supplying online gaming technology to gaming businesses (business to business) in which the Company engages or in which the Company has an actual intention, as evidenced by the Company's written business plans to engage, in any country in which the Company does business as of the Termination Date. Because Employee is employed by the Company in a senior management position, Employee is presumed to have participated in the Company's business and/or had Confidential Information about the Company's business throughout the United States (including state and state-equivalents and county and county-equivalents therein), and therefore "**Territory**" means the United States. For the avoidance of doubt, gaming companies that do not conduct business online, and provide products to other businesses, shall not be considered a Restricted Business. Employee agrees that the restrictions on competition, as to time, geographic area, and scope of activity, required by this section are reasonable, do not impose a greater restraint that necessary to protect the goodwill and business interests of the Company, and are not unduly burdensome to Employee.

b. *Non-Compete Consideration; Waiver.* In exchange for Employee's non-compete restriction during the Covenant Period, the Company shall continue to pay Employee's Base Salary during the Covenant Period ("**Garden Leave Compensation**"). The Garden Leave Compensation is specifically intended to compensate Employee for the non-compete restriction, and for the avoidance of doubt, the Garden Leave Compensation shall be cumulative in nature and shall not be reduced or offset by any other payments owed to Employee under this Agreement. Notwithstanding the forgoing, the Company may, upon sixty (60) days prior written notice, in its sole discretion and at any time, elect to waive, in writing, the non-compete restrictions imposed on Employee for all or any portion of the Covenant Period. The Company shall not pay Garden Leave Compensation to Employee for any portion of the Covenant Period where it waived the non-compete restriction. Employee shall promptly notify the Company of any employment that may disqualify Employee from receiving Garden Leave Compensation. Any waiver of the non-compete restriction shall be permanent, and the Company cannot later seek to enforce the non-compete restriction on Employee after any waived period.

c. *Non-Solicitation.* Employee agrees that during Employee's employment with the Company, and for the Covenant Period, Employee will not (i) solicit any employee of the Company (a "**Covered Employee**") to leave the employment of the Company; or, (ii) assist with hiring or attempting to hire any Covered Employee on behalf of a Restricted Business; or, (ii) solicit, or attempt to solicit a Covered Customer (defined below) for the purpose of doing any business that would compete with the Company's business; or, (iv) knowingly engage in any conduct that is intended to cause, or could reasonably be expected to cause the Covered Customer (as defined below) to stop or reduce doing business with the Company, or that would involve diverting business opportunities away from the Company. "**Covered Customer**" means a customer or potential customer of the Company that Employee had contact or dealings with or access to Confidential Information about during the Look Back Period.

d. If ***California law*** is deemed to govern this Section, then Paragraphs (a) and (b) shall not apply. Paragraphs (c) shall apply to the extent the solicitation involves the misappropriation of the Company's trade secret information, such as its protected customer information, as defined by applicable law.

e. If ***Nevada law*** is deemed to govern this Section, then Paragraphs (c) shall not apply to former customers or clients of the Company if Employee did not solicit the former customer or client and Employee is otherwise complying with the limitations in this Agreement as to time and scope of activity to be restrained.

12. **Cooperation with the Company.** The Parties agree that certain matters in which Employee will be involved during Employee's Employment may necessitate Employee's cooperation in the future. Accordingly, following the termination of Employee's employment for any reason and continuing for a period of five (5) years, Employee shall cooperate with the Company regarding any Claim relating to any lawsuit, action, investigation, or audit that (a) is brought by or against the Company and (b) is directly or indirectly related to Employee's employment with the Company. Company shall reimburse Employee within 14 calendar days for any reasonable expenses or fees incurred by Employee during such cooperation so long as Employee provides receipts or other reasonable evidence of such expenses to the Company.

13. **No Cooperation Against the Company.** Employee agrees that Employee will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any Claim by any third party or Person against the Company, unless under a subpoena or other court order to do so, and except as otherwise provided in Section 9(c) and (d). Employee agrees both to immediately notify Company in accordance with this Agreement upon receipt of any such subpoena or court order relating to the Company and Related Companies, and to immediately furnish a copy of such subpoena or other court order.

14. **Non-Disparagement.**

a. Both during and after Employee's employment with the Company, Employee shall refrain from any disparagement, defamation, libel, or slander of any of the Company and Related Companies. Employee further agrees to refrain from any tortious interference with the contracts and relationships of any of Company and Related Companies. This Section (a) does not prohibit Employee from disclosing illegal acts that occurred at, or is related to, the Company's workplace.

b. Both during and after Employee's employment with the Company, the Board of Directors and the Company's Executive Committee (collectively, the "**Company Representatives**") shall refrain from any disparagement, defamation, libel, or slander of any of Employee. Nothing in this Section (b) shall prohibit the Company Representatives from discussing with third parties, including, but not limited to, reference requests from Employee's future employers, regarding: (i) Employee's date of employment, (ii) compensation arrangements, and (iii) the status of Employee's employment with the Company. Furthermore, nothing in this Section (b) shall prohibit the Company Representatives from engaging in internal discussions within the Company regarding Employee's performance or the satisfaction or execution of Employee's duties, responsibility, obligations, or authority.

15. **Equitable Remedies.** Employee acknowledges and agrees that the Company and Related Companies could be irreparably damaged in the event that any provision of this Agreement were breached and that money damages could be an inadequate remedy for any such nonperformance or breach. Employee agrees that, to the extent permissible under applicable law, the Company shall be entitled, in addition to all other rights and remedies existing in their favor, to seek injunctive or other equitable relief (including a temporary restraining order, a preliminary injunction, and a final injunction) against Employee to prevent any actual or threatened breach of any of such provisions and to enforce such provisions specifically in any court of the United States or any state having jurisdiction, without the necessity of posting a bond or other security or of proving actual damages.

16. **Arbitration.** The Parties agree that:

a. *Scope*. Except for Excluded Claims (as defined below in Section 16(g)), any and all Claims arising out of the terms of this Agreement, Employee's employment with the Company, the separation of Employee's Employment with the Company, or Employee's relationship with the Company and Related Companies shall be subject to arbitration in Clark County, Nevada before JAMS, pursuant to the then-existing version of the JAMS Employment Arbitration Rules & Procedures ("JAMS Rules"). The Parties can obtain a copy of the JAMS Rules (i) on the JAMS' website (https://www.jamsadr.com/rules-employment); (ii) by calling JAMS directly at (800) 352-5267; or (iii) from the Company's Human Resources Department. The JAMS Rules are incorporated herein by reference. Additionally, pursuant to this Section 16, the Parties agree to arbitrate any and all Claims for violation of any federal, state, local or municipal statute or ordinance, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the federal Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the California Adjustment and Retraining Notification Act; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; and the California Business and Professions Code.

b. *Arbitrability*. The arbitrator, not a court, will determine issues of arbitrability or waiver of arbitrability. The Parties waive any right to have a court determine issues of arbitrability.

c. *Arbitrator's Authority*. The arbitrator may grant injunctions and other relief in Claims subject to arbitration pursuant to this Agreement. Subject to applicable laws, the arbitrator shall administer and conduct any arbitration in accordance with Nevada law and the arbitrator shall apply substantive and procedural Nevada law to any Claim, without references to conflict-of-law provisions of any jurisdiction. To the extent that the JAMS Rules are in irreconcilable conflict with Nevada law, Nevada law shall take precedence over the JAMS Rules.

d. *Final and Binding Arbitration*. The decision of the arbitrator shall be final, conclusive, and binding on the Parties. The Parties agree that that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award.

e. *Injunctive Relief*. The parties hereby agree to waive their right to have any Claim between them resolved in a court of law by a judge or jury. Notwithstanding the foregoing, this Section 16(e) will not prevent either Party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their Claim relating to this Agreement and the agreements incorporated herein by reference.

f. *Class Action Waiver*. Except for Excluded Claims (as defined below in Section 16(g)), the Parties intend and agree that (i) class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any arbitration pursuant to this Agreement; (ii) each Party will not assert class action or representative action Claims against the other Party in arbitration or otherwise; and (iii) the Parties shall only submit their own, individual Claims in arbitration and will not seek to represent the interests of any other person. To the extent the Parties' Claims involve both timely filed Excluded Claims and Claims subject to arbitration under this Agreement, the Parties agree to bifurcate Excluded Claims from Claims subject to arbitration, and stay the Excluded Claims for the duration of the arbitration proceedings.

g. *Excluded Claims*. "Excluded Claims" are causes of action or claims: (i) under Section 7 of the National Labor Relations Act, (ii) for representative actions under the California's Private Attorneys' General Act ("PAGA"), (ii) under the California Workers' Compensation Act, (iv) for unemployment compensation benefits; (v) for benefits under a plan that is governed by the Employee Retirement Income Security Act of 1974, (vii) occurring after a Change in Control, and (viii) expressly prohibited from mandatory arbitration under applicable law. To the extent permitted by law, individual Claims under PAGA or Claims under California Labor Code section 558(a) are not Excluded Claims, and thereby are subject to arbitration pursuant to this Agreement.

h. *Arbitration Costs and Fees*. With respect to costs associated with the arbitration under this Section 16, Employee shall only pay the JAMS filing or administrative fee up to the equivalent amount of the initial filing Employee would have paid to commence an action in the applicable Clark County Nevada Court. The Company will pay any other JAMS administrative fees, arbitrator's fees, and any additional fees unique to arbitration.

i. *Attorneys' Fees for Motion to Compel Arbitration*. A Party who is forced to file a motion or petition to compel arbitration of a dispute arising under this Agreement may recover attorneys' fees incurred in making the successful motion or petition.

j. *Operative Arbitration Agreement*. Should any part of this Section 16 conflict with any other arbitration agreement between the Parties, whether written, oral, or implied, the Parties agree that this Section 16 in this Agreement shall govern.

17. **Method of Providing Notice.** Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered (a) personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the Parties at the addresses set forth below or (b) by email to the email addresses set forth below:

If to the Company: GAN Nevada, Inc., 400 Spectrum Center Dr. Suite 1900, Irvine, CA 92618; Attention: Chief Legal Officer (legal@gan.com); with a copy to Human Resources (hr@gan.com)

If to Employee: Employee's personal home and email addresses in the records of the Company, as may be updated from time to time by Employee.

18. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of both of the Company and to bind Company and all who may claim through them to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement.

19. No Representations. Employee represents that Employee has had an opportunity to consult with an attorney and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

20. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

21. Fees and Costs. In the event that either Party brings an action to enforce or affect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action ("**Fees and Costs**"). Specifically, unless otherwise prohibited by applicable law, an arbitrator, court, governmental agency, or other judicial tribunal shall (i) award Fees and Costs to the prevailing party of an arbitration under this Agreement and (ii) award Fees and Costs to the prevailing party in the event any legal action or arbitration is commenced of any kind or character to enforce the provisions of this Agreement or to obtain damages for a breach thereof.

22. Mutual Drafting. Each Party has participated, or had the right to participate, in the drafting, negotiation, and preparation of this Agreement. The Parties expressly waive any Claim, rule of law, contention, or argument that would require ambiguities in this Agreement to be interpreted or construed against the Party that drafted the Agreement.

23. Complete Integration; Entire Agreement. This Agreement (including Exhibits A, B, C, and D attached hereto) represents the entire agreement and understanding between Company and Employee concerning the subject matter of this Agreement and Employee's employment with the Company. Except as subsequently modified pursuant to Section 24, this Agreement (including Exhibits A, B, C, and D attached hereto) supersedes and replaces all prior agreements, offer letters, promises, representations, and understandings concerning the subject matter of this Agreement and Employee's employment with Company, including, but not limited to, the Prior Agreement. No extrinsic evidence whatsoever may be introduced in any judicial proceedings or arbitration involving the parties' intent in this Agreement.

24. No Oral Modification. This Agreement shall only be amended in a writing signed by both Employee and a designated and authorized member of the Board of Directors.

25. Governing Law. This Agreement shall be governed by the laws of the State of Nevada without regard for choice-of-law provisions. For any claim or action not covered in or subject to Section 16, Employee consents to personal and exclusive jurisdiction and venue in the courts within Clark County, Nevada or within the county surrounding Employee's Principal Place of Employment.

26. Section Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The Parties also understand and agree that a facsimile or digital signature shall be deemed an original signature for purposes of this Agreement.

28. Voluntary Execution of Agreement. Employee understands and agrees that they have executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of Company or any third party. Employee acknowledges that:

a. Employee has read this entire Agreement;

b. Employee has been represented or given the opportunity to be represented in the negotiation and execution of this Agreement by legal counsel of Employee's own choice;

c. Employee understands the terms and consequences of this Agreement; and

d. Employee is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Employment Agreement, the effect of which shall apply as of the Effective Date referenced above.

EMPLOYEE

By: */s/ Seamus M. McGill*
Seamus M. McGill

GAN Nevada, Inc.

By: */s/ David Goldberg*
David Goldberg, Authorized Signatory

EXHIBIT A

Job Description

INTERIM CHIEF EXECUTIVE OFFICER

LOCATION: REMOTE – US; PREFERABLY LAS VEGAS, NEVADA
TYPE:FULL-TIME POSITION
REPORTS TO: BOARD OF DIRECTORS (GAN LTD)
DIRECT REPORTS:
Executive Committee, which includes the following positions: Chief Legal Officer, Interim Chief Financial Officer, Chief People Officer, Chief Technology Officer, Chief Data & Analytics Officer, Chief Marketing Officer, President – B2C, and President, B2B

Team Overview:

GAN's Executive Committee ("XCOM") is comprised of senior leaders responsible for business and back office functions for the Company. This position is responsible for leading the Executive Committee, and steering strategic business and operational decisions for the Company. The composition of the Executive Committee may evolve as the business develops.

Job Purpose:

The Interim Chief Executive Officer (ICEO) reports directly to the Board of Directors of the Company's ultimate parent, GAN Ltd, with its primary role being to further develop the Company's revenues and growth for the worldwide group ("Group") of companies. The ICEO is responsible for leading efforts to foster and grow external relationships with shareholders and potential investors, as well as prospective customers. In articulating market-specific strategies and plans with a focus on sustainable and profitable growth, the ICEO will build, understand, and adjust (where necessary) the Group's existing corporate client relationships in order to maximize their value through enhanced commercial terms and/or increasing the scope of products/services supplied to the clients. The ICEO will also be required to understand and adjust the Company's strategies and programs to meet financial budgets and goals in collaboration with the various business lines.

The ICEO must also build, maintain, manage, and/or influence relationships with both external and internal stakeholders by focusing on external relationships to understand, influence, and adapt to the changing industry landscape, liaise with potential investors, comply with all regulatory licensing requirements, and set the "tone at the top" regarding adherence to the Group's Compliance program.

The ICEO provides executive management oversight and ensures that all Company goals and initiatives are properly cascaded to the various department heads.

Responsibilities:

- Be accountable and responsible for the financial performance and strategic direction of the Company.
- Create and implement market strategies and plans that build and scale the business portfolio in a thoughtful method. This includes building new revenue growing initiatives and innovating on the Company's products and services.
- Manage the strategic review process for the Company.
- Build and strengthen the Company's client relationships. This includes maintaining existing relationships and fostering contacts and potential clients among the industry.
- Lead earnings and market efforts. Work with the Vice President, Investor Relations and the Interim Chief Financial Officer on earning and market scripts and communications.
- Lead the Executive Committee. Provide direction, goals and insight to the Executive Committee, and articulate how each function owned by the Executive Committee aligns to the Company strategic plan and vision.
- Communicate regularly with the various department heads to ensure alignment of operational plans to strategic plans and goals.
- Partner with the Chief Legal Officer to manage all relevant legal and regulatory affairs. Consult with the Chief Legal Officer on matters part of all relevant strategic plans and goals, including the strategic review.

- Partner with the Interim Chief Financial Officer to ensure that all business strategies and plans will meet financial targets and budgets.
- Partner with the division Presidents (President – B2C and President – B2B) to lead the execution of the business strategy. Leverage the division Presidents to scale growth within the respective divisions and hold them accountable to actively and successfully managing the efforts toward profitability and operational efficiency.
- Partner with the Chief Data & Analytics Officer to review business performance and use data to inform decision-making across the business divisions and for future market strategies.
- Partner with the Chief Marketing Officer on global marketing strategies for the divisions as well as marketing positioning for the Company.
- Partner with the Chief Technology Officer to ensure scalability and efficiency on the technology platforms that underpin current and future global business products and solutions for all clients and customers. Drive the Chief Technology Officer to manage to operational efficiency.
- Partner with the Chief People Officer to periodically review the organization and talent strategies/plans to scale according to shifting business needs and priorities.

Requirements And Experience:

Licensing:

This role requires qualifying for and maintaining a gaming license in any jurisdiction the Company or any of its subsidiaries or affiliates conducts operations or intends to operate. This means this position must submit requested information for any and all gaming license applications, gaming license renewals, and other associated requests for licensing. Failure to timely submit the requested information or comply with any request associated with licensing will result in the termination of employment with the Company for cause. Failure to maintain a license by a gaming regulatory authority for any reason during the course of employment with the Company will result in termination of employment with the Company for cause.

Experience:

- 20+ years of experience in top-tier management in the gaming or gambling industry is required.
- 20+ years of senior leadership experience with a proven track record of driving performance in individual functions and across the organization.
- 15+ years of experience in creating and leading high performing global distributed teams.
- 15+ years of experience in business and strategy planning efforts.
- Demonstrates high clarity of thought and strategy, and is able to successfully translate ideas to operational action
- Is deeply analytical and a systems thinker
- Has extensive experience in brokering and managing external relationships among senior executives across the gaming or gambling industry

Travel Requirements:

Travel will be required to any Company office location or client location.

EXHIBIT B

[Equity Incentive Plan]

EXHIBIT C

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (Agreement) is entered into between [●] (you) and GAN Limited (Company). You and the Company (together, the Parties) agree as follows:

1. Termination of Employment Relationship: Your employment relationship with the Company will end on [●] (Termination Date). You will no longer be authorized to transact business or incur any expenses, obligations and liabilities on behalf of the Company after the Termination Date.

2. Acknowledgements: You acknowledge that the Company relied on the following representations by you in entering into this Agreement:

a. You acknowledge that you do not have a claim of unlawful discrimination; retaliation; harassment; sexual harassment, abuse, assault, alleged criminal conduct, or other alleged unlawful employment practices or unlawful conduct against the Company or any of the Released Parties (as defined below).

b. You have received all compensation due to you through the Termination Date as a result of services performed for the Company with the receipt of your final paycheck.

c. You have reported to the Company any and all work-related injuries or occupational illnesses incurred by you during employment with the Company.

d. The Company properly provided any leave of absence because of your or your family member's health condition or military service and you have not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave.

e. You have had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on part of the Company.

3. Full and Final Release: In exchange for the benefits provided by the Company under this Agreement, you fully and forever release and discharge the Company, its parents, subsidiaries, affiliates, and related entities and all of their respective agents, attorneys, employees, officers, directors, shareholders, members, managers, employee benefit plans and fiduciaries, insurers, successors, and assigns, (Released Parties) from any and all claims and potential claims that may legally be waived by private agreement, whether known or unknown, which you have asserted or could assert against the Company arising out of or relating in any way to any acts, circumstances, facts, transactions, omissions, based on facts occurring up to and including the date you sign this Agreement (Claims). You understand that you are releasing such Claims on behalf of yourself and all persons who could make Claims under, through or by you, such as your spouse, heirs, executors or assignees.

This release includes, but is not limited to, (i) any and all Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National Labor Relations Act (NLRA), the Pregnancy Discrimination Act, the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities Act (ADA), any amendments to such laws, any other federal, state, or local constitution, charter, law, rule, ordinance, regulation, or order [or those of any other county]; (ii) Claims in equity or under common law including but not limited to claims for tort, breach of contract (express or implied, written or oral), wrongful discharge, defamation, emotional distress, and negligence;

(iv) You are releasing all rights under section 1542 of the California Civil Code. Section 1542 provides as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

4. Non-Admission: This Agreement shall not be construed as an admission by the Company of any liability or acts of wrongdoing or unlawful conduct, nor shall it be considered to be evidence of such liability, wrongdoing, or unlawful discrimination.

5. Proprietary Information: You understand that you are required to return all confidential and proprietary information, computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys, tape recordings, pictures, and security access cards, and any other items of any nature which are the property of the Company, regardless of whether you sign this Agreement. The Company may choose to delay payment under this Agreement if you do not return all such information to the Company. You further agree not to retain any tangible or electronic copies of any such property in your possession or under your control. To the fullest extent permitted by law, you also agree to retain in confidence any confidential information known to you concerning the Company until such information is publicly available.

6. Confidentiality of Agreement: You agree that you will maintain the confidentiality of this Agreement and will not disclose in any fashion the nature and terms of this Agreement, and/or the substance or content of discussions involved in reaching this Agreement, except to your lawyer, accountant, or immediate family, or governmental agency without the prior written consent of an officer of the Company, except as necessary in any legal proceeding directly related your employment with the Company or the provisions and terms of this Agreement, to prepare and file income tax forms, or as required by court order after reasonable notice to the Company; and provided that Employee instructs the aforementioned recipient(s) of the information (with the exception of a governmental agency), and such individuals agree not to disclose the terms of this Agreement.

7. Cooperation: You agree to cooperate with the Company relating to matters within your knowledge or responsibility. Without limiting this commitment, you agree (i) to meet with Company representatives, its counsel, or other designees at mutually convenient times and places with respect to any items within the scope of this provision; (ii) to provide truthful testimony regarding same to any court, agency, or other adjudicatory body; (iii) to provide the Company with notice of contact by any non-governmental adverse party or such adverse party's representative, except as may be required by law. The Company will reimburse you for reasonable expenses in connection with the cooperation described in this paragraph.

This paragraph shall not require you to cooperate with the Company regarding any charge or litigation in which you are a charging or complaining party, or any confidential investigation by a government agency in which you are asked by such agency to maintain information in confidence.

8. Non-Disparagement: You agree that you shall not make, directly or indirectly, to any person or entity, including but not limited to the Company's present, future, and/or former employees and/or clients, and/or the press, any negative, derogatory or disparaging oral, written and/or electronic statements about the Company, their products and services, or your employment with and/or separation from employment with the Company, or do anything which damages the Company or any of its and/or their products and services, reputation, good will, financial status, or business or client relationships. You further agree not to post any such statements on the internet or any blog or social networking site, including but not limited to Facebook, Glassdoor, LinkedIn, or any other internet site or platform.

9. Applicable Law: This Agreement shall be interpreted under the law of the state in which you worked for the Company, without regard to conflicts of laws principles.

10. Complete Release: This Release constitutes the complete and total agreement between you and the Company with respect to issues addressed in this Agreement, except your obligations you may have under any other Agreements with the Company regarding the non-disclosure of trade secrets and confidential or proprietary information, prohibiting solicitation of customers, suppliers, or employees, prohibiting competition with the employer, assigning intellectual property, or providing for a dispute resolution mechanism including arbitration, contained in any agreements you have entered into with the Company under applicable law, including the Employment Agreement. You represent that you are not relying on any other written or oral representations not fully expressed in this document. You agree that this Agreement shall not be modified, altered, or discharged except by written instrument signed by you and an authorized Company representative. The headings in this document are for reference only, and shall not in any way affect the meaning or interpretation of this Agreement.

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11. Severability: You agree that should any part of this Agreement except the release of claims be found to be void or unenforceable by a court of competent jurisdiction, that determination will not affect the remainder of this Agreement.

12. Use As Evidence: The Parties agree that this Agreement may be used as evidence in a subsequent proceeding in which any of the Parties allege a breach of this Agreement or as a complete defense to any lawsuit brought by any party. Other than this exception, the Parties agree that this Agreement will not be introduced as evidence in any proceeding or in any lawsuit.

13. Binding Agreement and Covenant Not to Sue: You understand that following the Revocation Period (as defined below), this Agreement will be final and binding. You promise not to file a lawsuit or arbitration proceeding based on any claim that is settled by this Agreement. If you break this promise or fail to comply with your obligations under the Agreement, you agree to pay all of the Company's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims covered by this Agreement or any Released Party's efforts to enforce the terms of this Agreement, except this covenant not to sue does not apply to claims under the Older Worker Benefit Protection Act (OWBPA) and the ADEA. Although you are releasing claims that you may have under the ADEA, you may challenge the knowing and voluntary nature of this release before a court, the Equal Employment Opportunity Commission (EEOC) or any other federal, state, or local agency charged with the enforcement of any employment laws. *You understand, however, that if you pursue a claim against the Company under the OWBPA and/or the ADEA to challenge the validity of this Agreement and the Company prevails on the merits of an ADEA claim, or a Released Party files a lawsuit or arbitration to enforce any part of this Agreement, a court has the discretion to determine whether the Company is entitled to restitution, recoupment, or set off (hereinafter "reduction") against a monetary award obtained by you in the court proceeding. A reduction never can exceed the amount you recover, or the consideration you received for signing this Agreement, whichever is less.* This provision is not intended to preclude otherwise available recovery of attorneys' fees or cost specifically authorized under applicable law.

14. Advice of Counsel: You acknowledge that you have read and fully understand the terms of this Agreement. The Company advises you, in writing, to consult with an attorney of your choice regarding the terms of this Agreement prior to signing this Agreement.

15. Consideration Period: You understand that you have at least 21 days from the date you receive this Agreement and any attached information to consider the terms of this Agreement, including whether to sign this Agreement (Consideration Period). **You must not sign this Agreement prior to the Termination Date.** If you choose to sign this Agreement before the Consideration Period ends, you represent that it is because you freely chose to do so after carefully considering its terms. You agree with the Company that changes, whether material or immaterial, do not toll or restart the running of the Consideration Period. You agree the Company has made no threats or promises to induce you to sign earlier. You acknowledge that this Agreement is a "negotiated" agreement as defined by California law (Government Code 12964.5(c)(2) defines "negotiated" to mean the Agreement is "voluntary, deliberate, and informed, provides consideration of value to the employee, and that the employee is given notice and an opportunity to retain an attorney or is represented by an attorney").

16. Revocation Period: You shall have seven calendar days from the date you sign this Agreement to revoke this Agreement by delivering a written notice of revocation to the same person as you returned this Agreement (Revocation Period). If the Revocation Period expires on a weekend or holiday, you will have until the end of the next business day to revoke. This Agreement will become effective on the day after the end of the Revocation Period (Effective Date), provided you do not revoke this Agreement.

17. Return of Signed Agreement: You are required to return your signed Agreement and any written revocation notice to Betty Wong, Chief People Officer at bwong@gan.com.

18. No Interference with Rights: **You understand this Agreement does not apply to (i) claims for unemployment or workers' compensation benefits, (ii) claims or rights that may arise after the date that you sign this Agreement, (iii) claims for reimbursement of expenses under the Company's expense reimbursement policies, (iv) any vested rights under the Company's ERISA-covered employee benefit plans as applicable on the date you sign this Agreement, and (v) any claims that controlling law clearly states may not be released by private agreement. Moreover, nothing in this Agreement (including but not limited to the acknowledgements, release of claims, the promise not to sue, the confidentiality and non-disparagement obligations, cooperation, and the return of property provision) (i) limits or affects your right to challenge the validity of this Agreement under the ADEA or the OWBPA, (ii) prevents from communicating with, filing a charge or complaint with; providing documents or information voluntarily or in response to a subpoena or other information request to; or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, the Occupational Safety and Health Administration, law enforcement, or any other any federal, state or local agency charged with the enforcement of any laws, or from responding to a subpoena or discovery request in court litigation or arbitration, or (iii) precludes you from exercising your rights, if any, under Section 7 of the NLRA or under similar state law to engage in protected, concerted activity with other employees, including discussing your compensation or terms and conditions of employment.**

In addition, nothing in this Agreement shall be construed to prevent you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful; waive your right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, or on the part of the agents or employees of the Company, when you have been required or requested to attend such a proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature.

By signing this Agreement you are waiving your right to recover any individual relief (including any backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by you or on your behalf by any third party, except for any right you may have to receive a payment or award from a government agency (and not the Company) for information provided to the government agency or where otherwise prohibited.

Notwithstanding your confidentiality and non-disclosure obligations in this Agreement and otherwise, you understand that as provided by the Federal Defend Trade Secrets Act, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

In exchange for the promises contained in this Agreement, the Company promises to provide the benefits set forth in this Agreement.

Date: _____ _____ _____

Betty Wong, Chief People Officer | Signature

You have read this Agreement and understand its legal and binding effect. You are acting voluntarily, deliberately, and of your own free will in signing this Agreement. The Company has provided you with all information needed to make an informed decision to sign this Agreement, notice of and an opportunity to retain an attorney, and an opportunity to ask questions about this Agreement.

Date: _____ _____ _____

Not valid if signed before Termination Date | Employee Name Printed | Signature

EXHIBIT D

WRITTEN NOTIFICATION TO EMPLOYEE

In accordance with California Labor Code section 2872, you are hereby notified that your Employment Agreement does not require you to assign to GAN Nevada, Inc. or its Affiliates (the "Company") any Company intellectual property for which no equipment, supplies, facility, or trade secret information of the Company was used and that was developed entirely on your own time, and does not relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or does not result from any work performed by you for the Company.

Following is the text of California Labor Code section 2870:

a. Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information, except for those inventions that either:

   (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

   (2) Result from any work performed by the employee for the employer.

b. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Exhibit 21.1

Subsidiary	Place of Incorporation
GAN (UK) Limited	England and Wales
GameAccount Alderney Limited	Alderney
GAN Nevada, Inc.	United States
GAN Software Services BG Ltd	Bulgaria
Lockbox Games Limited	England and Wales
GAN Digital Ltd	Israel
GAN Services Limited	England and Wales
Vincent Group Ltd	Malta
StayCool OÜ	Estonia
Polar Ltd	Malta
DoubleSpin Ltd	Guernsey
VG Estonia OÜ	Estonia
CheckBox Limited	Malta
SureWin Limited	Malta
PayFlow Limited	Malta
GAN Ontario Inc.	Canada
Coolbear Ontario Limited	Canada
GAN Chile SpA	Chile
Big Blind Limited	Isle of Man
Isle of Bear Limited	Isle of Man
Oso Plateado S. de R.L. de C.V.	Mexico
OsoCity S. de R.L. de C.V.	Mexico
Juegos a Distancia S.A.C.	Peru
GAN Social LLC	United States

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

GAN Limited
Irvine, California

We have issued our report dated March 13, 2024, with respect to the consolidated financial statements included in the Annual Report of GAN Limited on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said report in the Registration Statements of GAN Limited on Form S-3 (File No. 333-258987) and on Forms S-8 (File Nos. 333-258989, 333–253102, and 333-238017).

/s/ GRANT THORNTON LLP

Los Angeles, California
March 13, 2024

Exhibit 31.1

CHIEF EXECUTIVE OFFICER'S FORM OF 302 CERTIFICATION

I, Seamus McGill, certify that:

1. I have reviewed this Annual Report on Form 10-K of GAN Limited for the year ended December 31, 2023;

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(s) 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's, 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 Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company'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 Company's auditors and the audit committee of the Company'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: March 13, 2024

/s/ SEAMUS MCGILL

Seamus McGill
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CHIEF FINANCIAL OFFICER'S FORM OF 302 CERTIFICATION

I, Brian Chang, certify that:

1. I have reviewed this Annual Report on Form 10-K of GAN Limited for the year ended December 31, 2023;

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(s) 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 Company'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 Company's auditors and the audit committee of the Company'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: March 13, 2024

/s/ BRIAN CHANG
Brian Chang
Interim Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of GAN Limited for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Seamus McGill, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 13, 2024

/s/ SEAMUS MCGILL
Seamus McGill
Chief Executive Officer
(principal executive officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of GAN Limited for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian Chang, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: March 13, 2024

/s/ BRIAN CHANG
Brian Chang
Interim Chief Financial Officer
(principal financial officer)

Exhibit 97.1

GAN LIMITED
COMPENSATION RECOVERY POLICY

Adopted and approved on November 29, 2023 and Effective as of December 1, 2023

1. Purpose. GAN Limited, a Bermuda exempted company limited by shares (the "***Company***") is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, the Company has adopted this Compensation Recovery Policy (this "***Policy***"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") and explains when the Company will be required to seek recovery of Incentive Compensation awarded or paid to a Covered Person. Please refer to Exhibit A attached hereto (the "***Definitions Exhibit***") for the definitions of capitalized terms used throughout this Policy. Each Executive Officer shall be required to sign and return to the Company the Acknowledgement Form attached hereto as Exhibit B pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

2. Miscalculation of Financial Reporting Measure Results. In the event of a Restatement, the Company will seek to recover, reasonably promptly, all Recoverable Incentive Compensation from a Covered Person. Such recovery, in the case of a Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement. Notwithstanding the foregoing, if the Company is required to undertake a Restatement, the Company will not be required to recover the Recoverable Incentive Compensation if the Compensation Committee determines it Impracticable to do so, after exercising a normal due process review of all the relevant facts and circumstances. In no event shall the Company be required to award a Covered Person an additional payment if the restated or accurate financial results would have resulted in a higher Incentive Compensation payment. If such Recoverable Incentive Compensation was not awarded or paid on a formulaic basis, the Company will seek to recover the amount that the Compensation Committee determines in good faith should be recouped.

3. Other Actions. The Compensation Committee may, subject to applicable law, seek recovery in the manner it chooses, including by seeking reimbursement from the Covered Person of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested stock. In the reasonable exercise of its business judgment under this Policy, the Compensation Committee may in its sole discretion determine whether and to what extent additional action is appropriate to address the circumstances surrounding a Restatement to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate. In the event the Company is required to recover the Recoverable Incentive Compensation from a Covered Person who is no longer an employee, the Company will be entitled to seek such recovery regardless of the terms of any release of claims or separation agreement such individual may have signed.

4. No Indemnification or Reimbursement. Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will the Company or any of its affiliates indemnify or reimburse a Covered Person for any loss under this Policy and in no event will the Company or any of its affiliates pay premiums on any insurance policy that would cover a Covered Person's potential obligations with respect to Recoverable Incentive Compensation under this Policy.

5. Administration of Policy. The Compensation Committee will have full authority to administer this Policy. The Compensation Committee will, subject to the provisions of this Policy and Rule 10D-1 of the Exchange Act, and the Company's applicable exchange listing standards, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Compensation Committee will be final, binding and conclusive.

6. Other Claims and Rights. The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Compensation Committee of any rights pursuant to this Policy will not impact any other rights that the Company or any of its affiliates may have with respect to any Covered Person subject to this Policy.

7. Acknowledgement by Covered Persons; Condition to Eligibility for Incentive Compensation. The Company will provide notice and seek acknowledgement of this Policy from each Covered Person, provided that the failure to provide such notice or obtain such acknowledgement will have no impact on the applicability or enforceability of this Policy. After the Effective Date, the Company must be in receipt of a Covered Person's acknowledgement as a condition to such Covered Person's eligibility to receive Incentive Compensation. All Incentive Compensation subject to this Policy will not be earned, even if already paid, until the Policy ceases to apply to such Incentive Compensation and any other vesting conditions applicable to such Incentive Compensation are satisfied.

8. Amendment; Termination. The Board or the Compensation Committee may amend or terminate this Policy at any time.

9. Effectiveness. Except as otherwise determined in writing by the Compensation Committee, this Policy will apply to any Incentive Compensation that is Received by a Covered Person on or after the Effective Date. This Policy will survive and continue notwithstanding any termination of a Covered Person's employment with the Company and its affiliates.

10. Successors. This Policy shall be binding and enforceable against all Covered Persons and, to the extent required or allowed by applicable law, their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.

Exhibit A

GAN Limited
Compensation Recovery Policy
Definitions Exhibit

"*Applicable Period*" means the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. The "Applicable Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.

"*Board*" means the Board of Directors of the Company.

"*Compensation Committee*" means the Company's committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the Board.

"*Covered Person*" means any person who is, or was at any time, during the Applicable Period, an Executive Officer of the Company. For the avoidance of doubt, a Covered Person may include a former Executive Officer that left the Company, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period.

"*Effective Date*" means December 1, 2023.

"*Executive Officer*" means the Company's president, principal executive officer, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company's parent(s) or subsidiaries) who performs similar policy-making functions for the Company.

"*Financial Reporting Measure*" means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements (including but not limited to, "non-GAAP" financial measures, such as those appearing in the Company's earnings releases or Management Discussion and Analysis), and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return (and any measures derived wholly or in part therefrom) shall be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.

"*Impracticable*" - the Compensation Committee may determine in good faith that recovery of Recoverable Incentive Compensation is "Impracticable" if: (i) pursuing such recovery would violate home country law of the jurisdiction of incorporation of the Company where that law was adopted prior to November 28, 2022 and the Company provides an opinion of home country counsel to that effect acceptable to the Company's applicable listing exchange; (ii) the direct expense paid to a third party to assist in enforcing this Policy would exceed the Recoverable Incentive Compensation and the Company has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempts to recover to the Company's applicable listing exchange; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended.

"Incentive Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive Compensation does not include any base salaries (except with respect to any salary increases earned wholly or in part based on the attainment of a Financial Reporting Measure performance goal); bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a "bonus pool" that is determined by satisfying a Financial Reporting Measure performance goal; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and equity awards that vest solely based on the passage of time and/or attaining one or more non-Financial Reporting Measures.

"Received" - Incentive Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

"Recoverable Incentive Compensation" means the amount of any Incentive Compensation (calculated on a pre-tax basis) Received by a Covered Person during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the Restatement. For the avoidance of doubt Recoverable Incentive Compensation does not include any Incentive Compensation Received by a person (i) before such person began service in a position or capacity meeting the definition of an Executive Officer, (ii) who did not serve as an Executive Officer at any time during the performance period for that Incentive Compensation, or (iii) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association. For Incentive Compensation based on (or derived from) stock price or total shareholder return where the amount of Recoverable Incentive Compensation is not subject to mathematical recalculation directly from the information in the applicable Restatement, the amount will be determined by the Compensation Committee based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was Received (in which case, the Company will maintain documentation of such determination of that reasonable estimate and provide such documentation to the Company's applicable listing exchange).

"Restatement" means an accounting restatement of any of the Company's financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act of 1933, as amended, due to the Company's material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether the Company or Covered Person misconduct was the cause for such restatement. "Restatement" includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as "Big R" restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as "little r" restatements).

Exhibit B

GAN Limited
Compensation Recovery Policy
Acknowledgement Form

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the GAN Limited Compensation Recovery Policy (the "***Policy***"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (the "***Acknowledgement Form***") shall have the meanings ascribed to such terms in the Policy.

As a condition of receiving Incentive Compensation from the Company, the undersigned agrees that any Incentive Compensation is subject to recovery pursuant to the terms of the Policy, and further agrees to abide by the terms of the Policy, including, without limitation, by returning any Recoverable Incentive Compensation to the Company reasonably promptly to the extent required by, and in a manner permitted by, the Policy, as determined by the Committee in its sole discretion. To the extent the Company's recovery right conflicts with any other contractual rights the undersigned may have with the Company, the undersigned understands that the terms of the Policy shall supersede any such contractual rights. The terms of the Policy shall apply in addition to any right of recoupment against the undersigned under applicable law and regulations. By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Recoverable Incentive Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy.

Signature: _____

Print Name: _____

Date: _____